


CADDO PARISH COMMISSION
Shreveport, Louisiana
Primary Government Financial Report
Year Ended December 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 6-29-05



CADDO PARISH COMMISSION

**Primary Government Financial Statements and
Individual Fund Statements**

Year Ended December 31, 2004

(With Independent Auditors' Report Thereon)

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Shreveport, Louisiana
Primary Government Financial Statements and
Individual Fund Statements
Year ended December 31, 2004

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THE PARISH OF CADDO

P.O. Box 1127
Shreveport, Louisiana 71163-1127

Hayley B. Barnett
(318) 226-6921

John G. "Jack" Adger
(318) 226-6903
Fax (318) 226-6909

April 29, 2005

The Honorable Joyce Bowman, President
and Members of the Caddo Parish Commission
Government Plaza
505 Travis Street
Shreveport, Louisiana 71101-5409

Dear Commissioners:

In compliance with Section 3-09 of the Home Rule Charter for Caddo Parish, we are pleased to submit the Primary Government Financial Report of the Caddo Parish Commission (the Commission) for the year ended December 31, 2004. These financial statements present the primary government only and do not include the data of the discrete component units necessary for reporting in conformity with generally accepted accounting principles (GAAP). These financial statements were audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in government auditing standards, issued by the Comptroller General of the United States by a firm of licensed certified public accountants. I believe this report presents comprehensive information about the Commission's financial and operating activities during 2004 that is useful to taxpayers, citizens, and other interested persons.

This report was prepared by the Department of Finance and consists of management's representations concerning the finances of the Commission. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Commission has established an internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Commission's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Commission's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Section 3-09 of the Home Rule Charter for Caddo Parish requires that the Commission provide for an annual independent audit of all accounts and financial transactions of the Commission by a firm of independent certified public accountants duly licensed to practice in the state of Louisiana. The accounting firm of KPMG LLP was selected by the Commission to conduct its annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Commission for the fiscal year ended December 31, 2004 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Commission's governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the primary government. However, because the financial statements do not include financial data for the Commission's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Commission's primary government, the Commission's financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Commission as of December 31, 2004. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Commission was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Commission's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Commission's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CADDO PARISH COMMISSION

The Commission is the governing authority for Caddo Parish and is a political subdivision of the state of Louisiana. The Commission, under the provisions of Louisiana Revised Statutes 33:1271-1285, enacts ordinances, sets policy, and establishes programs in such fields as criminal and juvenile justice, highways and streets, sanitation, planning and zoning, public health and welfare, libraries, culture and recreational facilities, economic development, and general administrative services.

The Commission was established December 10, 1984, after voter approval of the Home Rule Charter for Caddo Parish on April 7, 1984. The Commission replaced the Caddo Parish Police Jury which was established January 18, 1838.

These financial statements present the Commission (the primary government) and do not include the data of the discrete component units necessary for reporting in conformity with GAAP.

Several agencies provide public services to Caddo Parish residents and should be included in the financial statements of the Commission as discrete component units. Financial data for these entities is not included in this report. Louisiana statutes do not require annual audited financial statements to be prepared for a majority of these units. GAAP does not allow us to present unaudited or out-of-date information in our financial statements. Since annually audited financial statements are generally not available from these units, we have elected to issue a report covering only the Commission (the primary government). The entities thus excluded are:

- Caddo Parish Sheriff's Office and Tax Collector
- Caddo Parish Clerk of Court
- Caddo Parish Tax Assessor
- Caddo Community Action Agency
- Caddo Parish Communications District Number 1
- Waterworks District Number 1
- Waterworks District Number 7
- Waterworks District Number 8
- Sewerage District Number 2
- Sewerage District Number 7
- Fire District Number 1
- Fire District Number 2
- Fire District Number 3
- Fire District Number 4
- Fire District Number 5
- Fire District Number 6
- Fire District Number 7
- Fire District Number 8
- Fire District Number 9
- North Caddo Hospital Service District

BUDGETARY CONTROL

The Commission maintains a system of budgetary controls, the objective of which is to ensure compliance with the annual appropriated budget. The annual budget serves as the foundation for the Commission's financial planning and control. Prior to November 1, the Parish Administrator submits to the Commission a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is then conducted, after proper official journal notification, to obtain taxpayer comments. Prior to December 27, the budget is legally enacted through passage of an ordinance.

The budget ordinance is structured such that revenues are budgeted by source, and appropriations are budgeted by department (function) or program expenditures. The Home Rule Charter provides that expenditures may not legally exceed appropriations on a functional (departmental or program) basis. Expenditures approved on a functional level are detailed by object account by the Parish Administrator and Finance Director. Revisions to the budget as enacted at the department (function) or program level require Commission action. Revisions at the object level can be approved by the Parish Administrator without seeking approval of the Commissioners. Several such revisions were made during the year ended December 31, 2004.

LOCAL ECONOMY

Commercial and industrial construction increased 20% in 2004. Completed commercial and residential construction projects resulted in a 17% increase in property tax assessments. Most of these projects were new investments by existing companies, which indicates growth in economic development. This trend is expected to continue in 2005.

General Motors (GM) invested another \$250 million in its Shreveport plant to add a third vehicle, the H3. This increased its overall investment to over \$1 billion. The local automotive industry is experiencing some financial troubles with the lack luster sales of the Chevrolet Colorado, which has had a negative impact on the GM suppliers. The future economic outlook of the automotive industry is riding on the success of the H3.

Sales tax revenue increased significantly over 2004 as a result of the continued development of the shopping area on Youree Drive. Sales taxes are the main revenue source for the Road Construction Fund and the Solid Waste Disposal Fund.

The gaming industry experienced a considerable decline in 2004. The Parish's riverboat revenue decreased 6.6% from 2003. Gaming revenues are expected to remain stable for 2005. Although the gaming industry is experiencing a rough time, the industry remains a vital part of the local economy.

LONG-TERM FINANCIAL PLANNING

During the 2005 budget process, the Commission addressed long-term financial concerns to ensure resources are available to meet future needs and allow for continuity of services. This analysis revealed an immediate concern in the area of criminal justice, primarily juvenile justice. Costs related to the juvenile justice system, which includes the court operations and the juvenile detention center, continue to rise at an alarming rate. The property tax millage dedicated to juvenile justice has not been increased since 1957.

To alleviate the funding crisis for juvenile justice, the Commission called an election for Saturday, July 17, 2004 asking voters to approve a .15% parish-wide sales tax to provide essential funding for the juvenile justice system. The voters did not approve the sales tax and the Juvenile Court was forced to reduce its 2005 operating budget by more than \$500,000 or 11%. Although we have approved a plan to fund 2005 expenditures, the future outlook for the Juvenile Court remains bleak given the level of the current operating deficit. Future reductions will be unavoidable if we do not find a permanent funding solution.

CASH MANAGEMENT AND INVESTMENTS

The Commission has a cash management program which consists of pooling cash and investments for all funds of the Commission except the Shreve Memorial Library. Available cash was invested in a special bank "sweep account" collateralized by obligations of United States government agencies or insured by the Federal Deposit Insurance Corporation. Additional investments are accomplished through purchases of obligations of the United States Treasury, obligations of United States government agencies, and by participation in the Louisiana Asset Management Pool.

RISK MANAGEMENT

The Commission maintains limited risk management programs for general liability and workers' compensation. As part of this plan, workers are trained in accident prevention and hazard avoidance techniques. Third-party coverage of \$3,000,000 is maintained for general liability claims. Retention limits are \$50,000 per claim with an annual aggregate total of \$250,000. Third-party coverage is also maintained for workers' compensation cases above \$300,000. In addition to the revenues collected in the General Insurance Fund, resources are designated within the General Fund for payment of potential claims. The Commission is partially self-insured for employee

medical and life insurance with third-party coverage for occurrences over \$150,000 and aggregate stop-loss coverage for losses in excess of 125% of expected claims.

PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Substantially all Commission employees are members of the Parochial Employees' Retirement System of Louisiana. Employee payroll deductions of 9.5% of gross pay are partially matched by the Commission at a rate of 11.75% of gross wages. All deducted and matched funds are remitted to the retirement system. Retirement benefits are administered by the statewide plan and are not guaranteed by the Commission.

The Commission provides postretirement healthcare benefits and life insurance, in accordance with state statutes, to all retiring employees who were participating in the group insurance plan prior to their retirement date. The Commission is self-insured for medical benefits including postretirement healthcare benefits and life insurance.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the dedicated and efficient services of the entire Department of Finance staff and the assistance of the Commission's independent auditors, KPMG LLP. Substantial recognition should also be given to the Commission and our Parish Administrator, Mr. William T. Hanna, Jr., for their interest and support in conducting the financial operations of the Commission in a responsible and progressive manner.

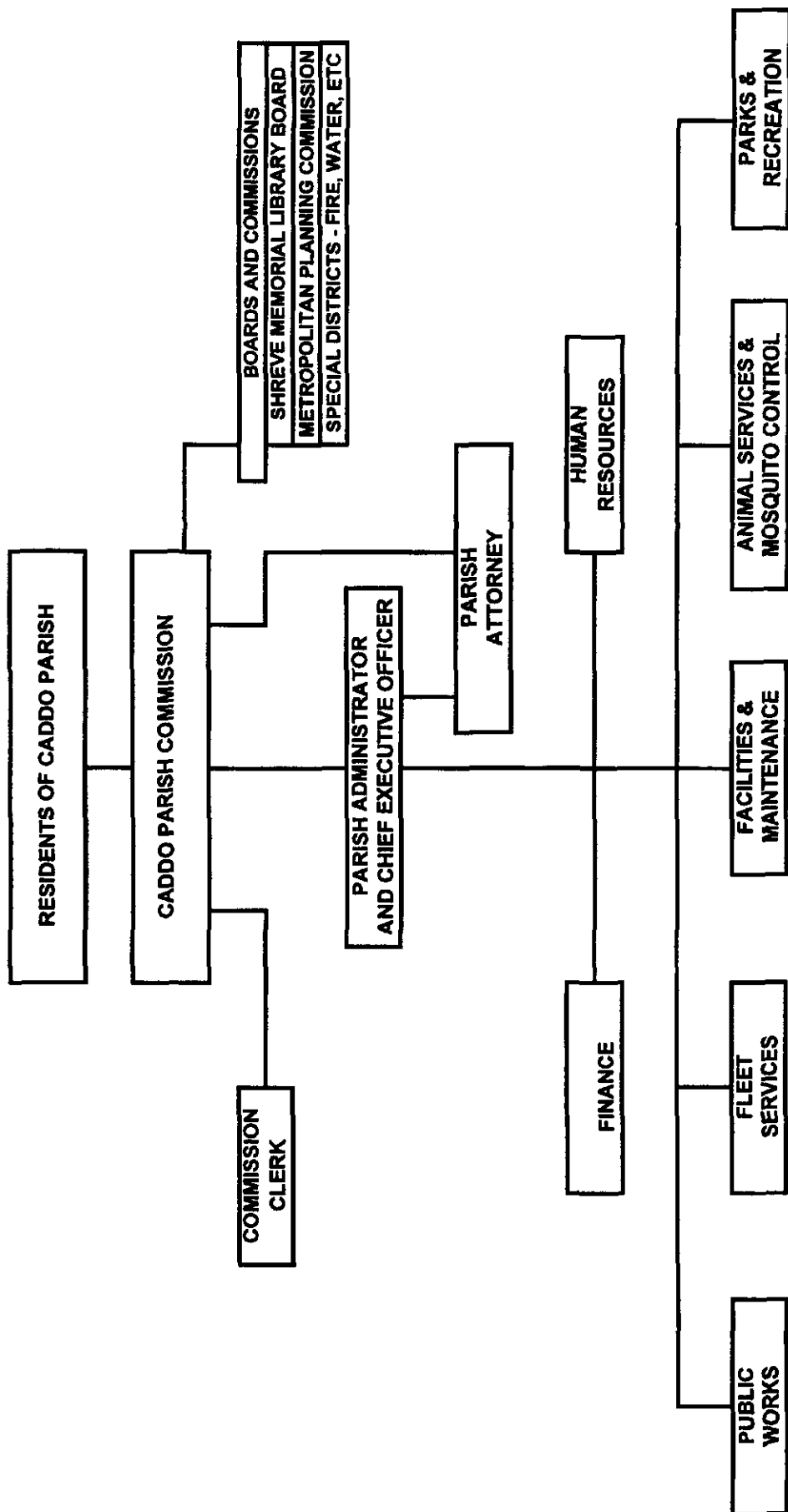
Sincerely,

A handwritten signature in black ink, appearing to read "Erica R. Bryant". The signature is fluid and cursive, with a large initial "E" and a stylized "B".

Erica R. Bryant
Director of Finance

ORGANIZATION CHART

CADDO PARISH COMMISSION SHREVEPORT, LOUISIANA



Caddo Parish Commission

Shreveport, Louisiana

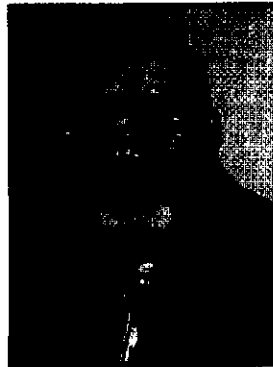
COUNCIL-MANAGER FORM OF GOVERNMENT



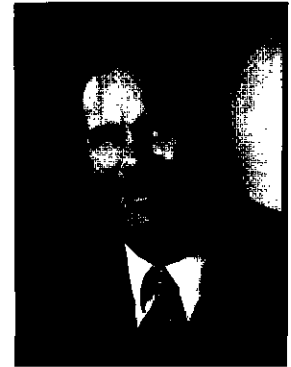
James H. "Jim" Morris
District 1



Rose Wilson McCulloch
District 2



Carl A. Pierson, Sr.
District 3



Gifford L. "Gif" Gillen
District 4



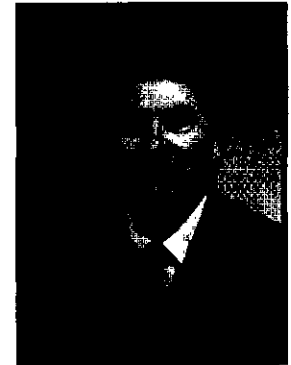
Joyce Bowman
District 5



Lindora Baker
District 6



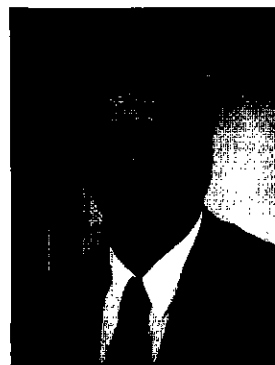
Stephanie Lynch
District 7



Michael Long
District 8



Bob Brown
District 9



David Cox
District 10



Ron Webb
District 11



Clifford R. Collins
District 12

CADDO PARISH COMMISSION
Shreveport, Louisiana
Appointed Officials Per Home Rule Charter

Mr. William T. Hanna, Jr.	Parish Administrator and Chief Executive Officer
Ms. Erica R. Bryant	Director of Finance
Mr. Woodrow “Woody” Wilson, Jr.	Director of Public Works
Ms. Maria Eades	Director of Human Resources
Mr. Norman “Keith” McClung	Director of Facilities and Maintenance
Mr. Larry R. Raymond	Director of Parks and Recreation
Mr. Todd Hopkins	Director of Fleet Services
Dr. Michael B. Dale, Sr.	Director of Animal Services and Mosquito Control
Mr. Jerry C. Spears	Commission Clerk
Mr. Charles Grubb	Parish Attorney

**FINANCIAL
SECTION**



KPMG LLP
Suite 1900
333 Texas Street
Shreveport, LA 71101-3692

Independent Auditors' Report

**Members of the Caddo Parish Commission
Shreveport, Louisiana:**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Parish Commission (the Commission) as of and for the year ended December 31, 2004, which collectively comprise the basic financial statements of the Commission's primary government as listed in the table of contents. We have also audited the financial statements of each of the Commission's nonmajor governmental, internal service, and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of the Commission, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the Commission's legal entity. The financial statements do not include financial data for the Commission's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the Commission's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the Commission, as of December 31, 2004, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the primary government of the Commission, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the

respective financial position of each nonmajor governmental, internal service, and fiduciary funds of the Commission as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2005 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, and budgetary comparison information listed as Required Supplementary Information in the table of contents are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements and on each nonmajor governmental, internal service, and fiduciary fund of the Commission. The introductory section, the individual fund schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section, the individual fund schedules, and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly we express no opinion on them.

KPMG LLP

April 29, 2005

CADDO PARISH COMMISSION

Shreveport, Louisiana

Management's Discussion and Analysis

December 31, 2004

We offer readers of the Caddo Parish Commission's financial statements this narrative overview and analysis of the financial activities of the Caddo Parish Commission (the Commission) for the fiscal year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

Key financial highlights for the 2004 fiscal year include the following:

- The assets of the Commission exceeded its liabilities at the close of the fiscal year by \$312,724,537 (net assets). Of this amount, approximately \$13.9 million (unrestricted net assets) may be used to meet the Commission's obligations to citizens and creditors.
- The total net assets of the Commission increased by \$4,623,757 for the year ended December 31, 2004, all of which relates to governmental activities.
- As of the close of the fiscal year, the Commission's governmental funds reported a combined ending fund balance of \$70,733,622, a decrease of \$3,169,222 in comparison with the prior fiscal year. Of this amount, \$42.5 million was unreserved, undesignated, and available for spending; \$15.2 million was unreserved, but designated for capital projects; \$2.5 million was unreserved but designated for subsequent years' expenditures and for future claims; \$1.6 million was reserved for debt service; and \$1.2 million is held in a permanent trust and can only be used to make revolving loans to the General Fund.
- At the end of the fiscal year, unreserved, undesignated fund balance for the General Fund was \$3.8 million or 64.4% of total General Fund expenditures.
- The Commission's total long-term liabilities decreased \$3.9 million (14.4%) during the fiscal year primarily as a result of principal payments made during the year offset by additional borrowings of \$9.1 million.

Overview of the Financial Statements

This Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the Commission's basic financial statements. The Commission's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government Wide Financial Statements. The government wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Activities presents information showing how the Commission's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement

CADDO PARISH COMMISSION
Shreveport, Louisiana
Management's Discussion and Analysis
December 31, 2004

for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The Statement of Net Assets and the Statement of Activities distinguish functions of the Commission that are principally supported by taxes, intergovernmental revenues, and charges for services (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Commission's governmental activities include general government, criminal and juvenile justice, health and welfare, highways and streets, building facilities, drainage, sanitation, cultural and recreation, and economic development. The Commission did not report any business-type activities for the current fiscal year.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the Commission's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains 25 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Detention Facilities Fund, Juvenile Court Fund, Shreve Memorial Library Fund, Road Construction Fund, Head Start Fund, and the Capital Outlay Fund, all of which are considered to be major funds. Data for the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Commission adopts an annual appropriated budget for its General Fund and certain special revenue funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

Proprietary funds. The Commission maintains only one type of proprietary fund, internal service funds, and therefore does not report any business-type activities in the government wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Commission's various functions. The Commission uses internal service funds to account for its healthcare, worker's compensation, and fleet services. Because these services predominantly benefit governmental rather than

CADDO PARISH COMMISSION
Shreveport, Louisiana
Management's Discussion and Analysis
December 31, 2004

business-type functions, they have been included within governmental activities in the government wide financial statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside Caddo Parish. Fiduciary funds are not reflected in the government wide financial statements because the resources of those funds are not available to support the Commission's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's compliance with budgets for its major funds.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on budgetary comparisons.

Financial Analysis of Government Wide Activities

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$312,724,537 at the close of the fiscal year.

The largest portion of the Commission's net assets totaling approximately \$239 million (76.4%) reflects its investment in capital assets (e.g., land, buildings, streets, drainage, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The Commission uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Commission's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Management's Discussion and Analysis
December 31, 2004

Net Assets

December 31, 2004 and 2003

	2004 Governmental Activities	2003 Governmental Activities
Current and other assets	\$ 80,910,816	80,551,010
Capital assets, net	261,011,858	263,828,705
Total assets	<u>341,922,674</u>	<u>344,379,715</u>
Current and other liabilities	5,875,659	9,045,848
Long-term liabilities	23,322,478	27,233,087
Total liabilities	<u>29,198,137</u>	<u>36,278,935</u>
Net assets:		
Invested in capital assets, net of related debt	238,938,385	237,790,940
Restricted	59,850,067	57,652,323
Unrestricted	13,936,085	12,657,517
Total net assets	<u>\$ 312,724,537</u>	<u>308,100,780</u>

19.1% of net assets represent resources that are subject to external restrictions on how they may be used. Debt Service Funds account for \$1,640,053 of the total of restricted net assets. The remaining balance is monies restricted for highways and streets (\$19.1 million), culture and recreation (\$16.6 million), drainage (\$5.0 million), sanitation (\$4.8 million), criminal justice (\$5.0 million), building facilities (\$4.1 million), and other restricted purposes (\$3.6 million).

The remaining balance of unrestricted net assets of \$13,936,085 is used to meet the Commission's ongoing obligations to citizens and creditors.

At the end of the fiscal year, the Commission is able to report positive balances in all three categories of net assets.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Management's Discussion and Analysis

December 31, 2004

The Commission's net assets increased by \$4,623,757 during the fiscal year. The Commission's total revenues and expenses for governmental activities are reflected in the following chart:

Changes in Net Assets
Year Ended December 31, 2004 and 2003

	2004	2003
	Governmental	Governmental
	Activities	Activities
Revenues:		
Program revenues:		
Charges for services	\$ 1,884,867	1,775,349
Grants and contributions	23,513,536	19,393,649
General revenues:		
Property taxes	37,795,387	35,446,748
Sales taxes	6,858,471	5,421,578
Gaming	2,498,311	2,636,180
Other general revenues	2,473,981	2,663,822
Total revenues	<u>75,024,553</u>	<u>67,337,326</u>
Expenses:		
General government	3,597,578	3,954,248
Criminal justice	14,492,251	14,589,593
Health and welfare	13,097,448	11,992,466
Highways and streets	19,792,017	18,670,941
Building facilities	3,771,771	4,074,079
Drainage	1,306,662	1,033,681
Sanitation	2,290,545	1,856,858
Culture and recreation	9,165,852	7,540,812
Economic development	1,807,679	3,372,689
Interest and fees on long-term debt	1,078,993	1,175,486
Total expenses	<u>70,400,796</u>	<u>68,260,853</u>
Decrease in net assets	4,623,757	(923,527)
Net assets, beginning of year	<u>308,100,780</u>	<u>309,024,307</u>
Net assets, end of year	<u>\$ 312,724,537</u>	<u>308,100,780</u>

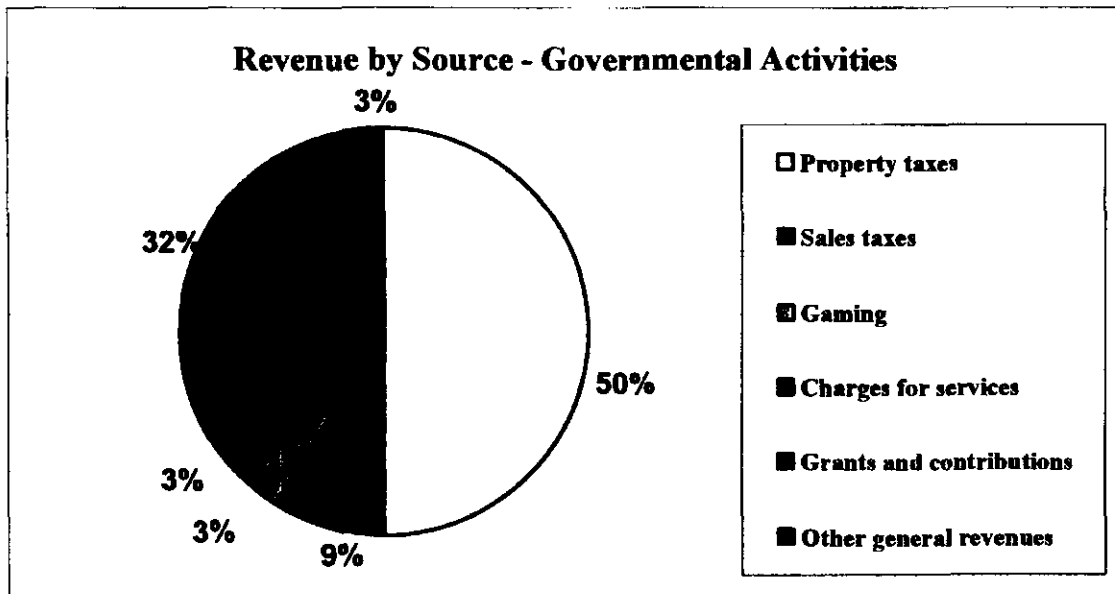
Program revenues increased \$4.2 million in 2004 compared to 2003, primarily as a result of an increase in capital grants and contributions resulting from an increase in the contribution of property through donations and the acceptance of subdivision roads into the Commission maintenance system. Major additions were Boxco Extension, Whitfield Road, and Bruce Road.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Management's Discussion and Analysis

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General revenues, specifically property taxes and sales taxes, are the largest component of revenues (66.1%). Property taxes represent 50.4% of revenues at \$37.8 million. Property taxes increased during the fiscal year due to an increase in the property tax assessment resulting from the completion of new construction projects. Sales tax revenue increased 26.5% also due to an increase in the level of commercial and industrial construction, primarily the new shopping outlets on Youree Drive.



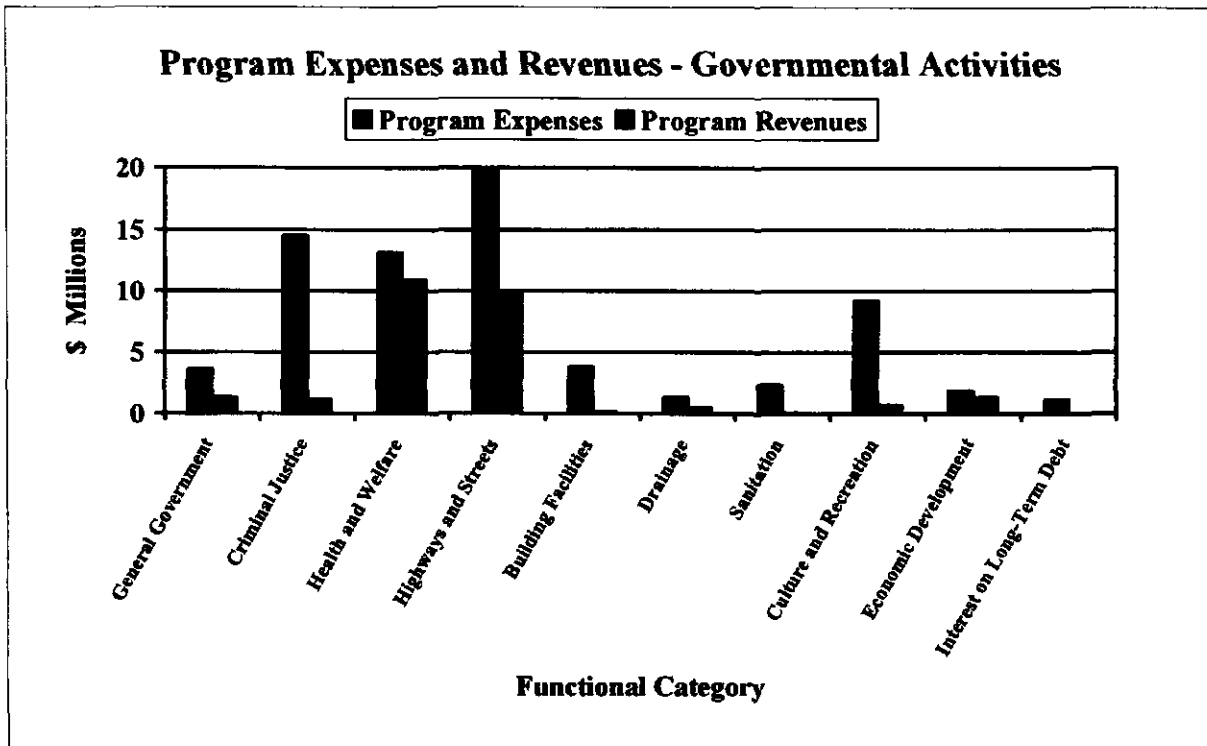
The Statement of Activities shows that \$1.9 million was financed by those who use the services, \$23.5 million by grants and contributions, and \$49.6 million with the Commission's general revenues.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Management's Discussion and Analysis

December 31, 2004

The Commission's four largest programs are criminal justice, health and welfare, highways and streets, and culture and recreation. The graph below shows the expenses and program revenues generated by governmental activities:



Expenses totaled \$70.4 million in 2004 compared to \$68.3 million in 2003, an increase of 3.1%. The key factors for the increase were:

- Culture and recreation expenses increased \$1.6 million (21.5%) as a result of an increase in salaries, materials, and supplies for the new libraries that began operation in 2004.
- Health and welfare expenses increased \$1.1 million (9.2%) due to increased federal funding for the Head Start Program. These funds are passed through to the Caddo Community Action Agency.
- Highways and streets increased \$1.1 million (6.0%) as a result of additional funds that were paid to General Motors for sales tax rebate.
- Economic development expenses decreased \$1.6 million due to a decrease in funding received from the State of Louisiana through the Economic Development Award Program. These funds are used to assist companies that are willing to establish operations in Caddo Parish with equipment and infrastructure purchases.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Management's Discussion and Analysis
December 31, 2004

Financial Analysis of the Caddo Parish Commission's Funds

Governmental Funds

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Commission's net resources available for spending at the end of the fiscal year.

- As of the close of the fiscal year, the Commission's governmental funds reported a combined ending fund balance of \$70,733,622 an increase of \$3,169,222 in comparison with the prior fiscal year. Of this amount, \$42.3 million or 59.8% was unreserved, undesignated, and available for spending. \$14.9 million or 21% was unreserved, but designated for capital projects. \$2.5 million or 3.5% was unreserved, but designated for subsequent years' expenditures and future claims. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed: (1) to liquidate contracts and purchase orders of the prior period (\$1.6 million), (2) to pay debt service (\$1.6 million), (3) to provide financial resources in the event of a major interruption in services such as a natural disaster (\$6.4 million), or (4) for other restricted purposes (\$1.5 million).
- The General Fund is the chief operating fund of the Commission. At the end of the fiscal year, unreserved fund balance of the General Fund was \$4,749,303. The unreserved and undesignated portion is \$3.8 million. Therefore, it is available for spending at the Commission's discretion. The Commission has chosen to designate funds for future claims and subsequent years' expenditures. The fund balance of the Commission's General Fund increased by \$627,131. A key factor in this increase is a transfer of \$500,000 from the Criminal Justice Fund.
- The Shreve Memorial Library Fund has a total fund balance of \$10,193,011. The majority of the fund balance (\$9.6 million) is unreserved, undesignated, and available for spending. The remainder of the fund balance is reserved to liquidate contracts and purchase orders of the prior period (\$475,533) and for prepaid items (\$90,747). Fund balance decreased \$137,380, largely due to debt service payments for the library expansion program.
- The Detention Facilities Fund has a total fund balance of \$397,447. The fund balance is designated for subsequent year's expenditures. This fund accounts for the proceeds of a special ad valorem tax and other revenues dedicated to the maintenance and operation of the Caddo Correctional Center and Juvenile Court Detention Facility. Fund balance increased \$291,095, largely due to transfers from the Criminal Justice Fund, which provides operating subsidies to those funds with significant criminal justice expenditures.
- The Juvenile Court Fund has a total fund balance of \$712,270. The majority of the fund balance (\$708,370) is designated for subsequent year's expenditures. The remainder of the fund balance is reserved to liquidate contracts and purchase orders of the prior period. Fund balance increased \$220,183, largely due to a transfer in of \$285,000 from the Criminal Justice Fund.

CADDO PARISH COMMISSION

Shreveport, Louisiana

Management's Discussion and Analysis

December 31, 2004

- The Head Start Fund accounts for federal monies received by the Commission that are passed through to the Caddo Community Action Agency. No fund balance is maintained. The funds passed through increased from the prior year by \$1,291,209.
- The Road Construction Fund has a total fund balance of \$8,290,655. All of the fund balance is unreserved, undesignated, and available for spending. The fund balance of the Road Construction Fund increased by \$1,094,760, due primarily to a 27% increase in sales tax revenue.
- The Capital Outlay Fund has a total fund balance of \$8,312,115. Of which, \$7.4 million is unreserved, but designated for capital projects, and \$1.0 million is reserved to liquidate contracts and purchase orders of the prior period. A net decrease of \$1,381,385 occurred during the fiscal year. Expenditures in this fund are for specific projects, as outlined in the Commission's capital projects budget and are not expected to be similar from year to year.

Proprietary Funds

The only proprietary funds the Commission maintains are the three internal service funds for healthcare, workers' compensation, and fleet services. The total net assets of the internal service funds were \$3,868,000, which was an increase of \$765,655 from the prior year. The increase is due to a decrease in medical and general liability claims.

General Fund Budgetary Highlights

The budget policy of the Commission complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

The original budget for the General Fund of the Caddo Parish Commission was adopted on December 2, 2003. No amendments were made. Differences between the budget and the actual results of the General Fund are as follows:

Revenues

- Ad valorem taxes exceeded the budget by \$284,921 due to increased property assessments.
- Other taxes exceeded the budget by \$95,934 due to delinquent tax collections, which are not budgeted each year.
- Licenses and permits exceeded the budget by \$60,586 as a result of increased collections of occupational license fees primarily due to additional efforts to collect unpaid fees.
- Intergovernmental revenues exceeded the budget by \$92,982 primarily due to an increase in timber sales and state revenue sharing.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Management's Discussion and Analysis
December 31, 2004

Expenditures

- Total 2004 General Fund expenditures did not exceed the budget; however, there were two functions that exceeded the individual budget. Archives exceeded its budget by \$890 due to increased storage costs for files stored at an off-site facility. Miscellaneous expenditures were \$11,729 over budget due to increased charges for autopsies performed by the Caddo Parish Coroner.

Capital Assets and Debt Administration

Capital Assets: The Commission's investment in capital assets as of December 31, 2004 was \$261,011,858 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, streets, drainage, furniture and equipment, and construction in progress. The table below shows the value at the end of the fiscal year.

Capital Assets
December 31, 2004 and 2003
(net of depreciation)

	2004	2003
	Governmental	Governmental
	activities	activities
Land and land improvements	\$ 14,172,159	12,962,400
Buildings and structures	56,872,355	57,682,158
Equipment and vehicles	7,458,992	7,724,551
Infrastructure	178,625,395	181,006,095
Construction in progress	3,882,957	4,453,501
Total	<u>\$ 261,011,858</u>	<u>263,828,705</u>

Major additions to capital assets during the fiscal year included the following:

- Completed construction of new office buildings for Public Works north and south camps (\$.4 million)
- Purchased new street and drainage equipment (\$.4 million)
- Purchased new library books and library equipment (\$1.0 million)
- Received land donated by the Industrial Development Board to be used for economic development (\$1.2 million)
- Completed major rehabilitation on three roads (\$1.6 million)
- Accepted roads into the Commission maintenance system that were built to the Commission's standards by private developers (\$8.3 million)

CADDO PARISH COMMISSION
Shreveport, Louisiana
Management's Discussion and Analysis
December 31, 2004

Long-term debt: At the end of the fiscal year, the Commission had total debt outstanding of \$22,104,038. The following table summarizes debt outstanding at December 31, 2004:

Outstanding Debt
December 31, 2004 and 2003

	2004 Governmental activities	2003 Governmental activities
General obligation bonds, net of deferred loss	\$ 10,051,000	11,570,000
Certificates of indebtedness, net of deferred loss	12,053,038	14,479,019
Total	<u>\$ 22,104,038</u>	<u>26,049,019</u>

During the fiscal year, the Commission issued \$6,365,000 of general obligation refunding bonds to advance refund a portion of the Series 1995 general obligation refunding bonds in the amount of \$6,185,000. The outstanding principal balances of the Series 1995 bonds from February 1, 2006 through February 1, 2009 were the balances subject to the advance refunding and are considered to be defeased.

The Commission's general obligation bonds continue to maintain a rating of AA3 by Moody's Investors Service.

For additional information regarding capital assets and long-term debt, see the notes to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for fiscal year 2005 was presented to the Caddo Parish Commission:

- The increase of 11% in property tax assessments
- The continued increase in mandated costs from the state of Louisiana primarily in the criminal justice area. Criminal justice expenditures represent 64% of the 2005 budget for the General Fund
- The increase in the employer's portion of Parochial Retirement from 11.75% of payroll to 12.75%
- The reduction of parish personnel from 415 to 389

Requests for Information

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Caddo Parish Commission, 505 Travis Street, Suite 850, Shreveport, LA 71101.

**BASIC FINANCIAL
STATEMENTS**

CADDO PARISH COMMISSION

Shreveport, Louisiana

Statement of Net Assets

December 31, 2004

Assets	Governmental activities
Cash and cash equivalents	\$ 4,691,950
Investments	36,912,851
Receivables, net	37,059,566
Due from other governmental agencies	2,087,890
Inventories	37,247
Bond issue costs	30,565
Other assets	90,747
Capital assets:	
Land and construction in progress	18,055,116
Other capital assets, net of depreciation	242,956,742
Total assets	<u>341,922,674</u>
Liabilities	
Accounts payable	4,556,790
Accrued liabilities	338,853
Accrued interest payable	340,770
Retainages payable	7,170
Claims payable	293,937
Due to other governmental agencies	317,264
Deferred revenue	20,875
Noncurrent liabilities:	
Due within one year	4,806,214
Due in more than one year	18,516,264
Total liabilities	<u>29,198,137</u>
Net Assets	
Invested in capital assets, net of related debt	238,938,385
Restricted for:	
Criminal justice	5,003,329
Highways and streets	19,068,871
Building facilities	4,078,894
Drainage	5,044,027
Sanitation	4,754,181
Culture and recreation	16,624,038
Other purposes	5,276,727
Unrestricted	13,936,085
Total net assets	<u>\$ 312,724,537</u>

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Statement of Activities

Year ended December 31, 2004

Functions/programs	Expenses	Program Revenues			Net (expense) revenues and changes in net assets
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities
Primary government:					
Governmental activities:					
General government	\$ 3,597,578	1,264,790	—	—	(2,332,788)
Criminal justice	14,492,251	165,711	941,247	—	(13,385,293)
Health and welfare	13,097,448	253,469	10,106,943	503,777	(2,233,259)
Highways and streets	19,792,017	81,094	1,620,445	8,269,368	(9,821,110)
Building facilities	3,771,771	—	120,377	—	(3,651,394)
Drainage	1,306,662	—	50,237	—	(1,256,425)
Sanitation	2,290,545	—	7,619	—	(2,282,926)
Cultural and recreation	9,165,852	118,003	550,743	13,256	(8,483,850)
Economic development	1,807,679	1,800	168,767	1,160,757	(476,355)
Interest and fees on long-term debt	1,078,993	—	—	—	(1,078,993)
Total governmental activities	70,400,796	1,884,867	13,566,378	9,947,158	(45,002,393)
General revenues:					
Taxes:					
Property taxes levied for general purposes					35,751,095
Property taxes levied for debt service					2,044,292
Sales taxes					6,858,471
Franchise taxes					178,646
Gaming					2,498,311
Grants and contributions not restricted to specific programs					1,133,482
Investment earnings					795,481
Miscellaneous					366,372
Total general revenues					49,626,150
Change in net assets					4,623,757
Net assets, beginning					308,100,780
Net assets, ending					\$ 312,724,537

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Balance Sheet
Governmental Funds
December 31, 2004

Assets	General	Shreve Memorial Library Fund	Detention Facilities Fund	Juvenile Court Fund	Head Start Fund	Capital Outlay Fund	Road Construction Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 94,123	1,243,316	—	10,877	—	418,744	500,468	1,430,997	3,698,525
Investments	1,416,542	—	—	158,085	—	6,284,368	7,509,167	18,800,070	34,168,232
Receivables, net									
Ad valorem taxes	3,828,273	8,557,154	5,197,472	1,923,923	—	—	—	16,157,127	35,663,949
Paving assessments	—	—	—	—	—	—	297,049	19,327	316,376
Other	71,424	—	—	1,714	—	—	319,844	373,872	766,854
Accrued interest	8,330	—	—	941	—	37,062	44,295	113,623	204,251
Due from other funds	470,302	408,774	—	—	—	1,673,324	2,033,852	6,087,311	10,673,563
Due from other governments	249,504	267,914	216,020	550,193	—	38,899	206,671	558,689	2,087,890
Other assets	\$ —	90,747	—	—	—	—	—	—	90,747
Total assets	6,138,498	10,567,905	5,413,492	2,645,733	—	8,452,397	10,911,346	43,541,016	87,670,387
Liabilities and Fund Balance									
Liabilities:	\$								
Accounts payable	95,545	46,333	86,081	141,047	—	133,112	2,559,918	1,451,135	4,513,171
Accrued liabilities	44,297	78,384	31,940	36,875	—	—	—	141,518	333,014
Retainages payable	—	—	—	—	—	7,170	—	—	7,170
Due to other funds	1,100,000	—	4,568,688	1,507,390	—	—	—	3,497,485	10,673,563
Deferred revenue	136,364	250,177	217,815	53,151	—	—	60,773	374,303	1,092,583
Due to other governments	10,743	—	111,521	195,000	—	—	—	—	317,264
Total liabilities	1,386,949	374,894	5,016,045	1,933,463	—	140,282	2,620,691	5,464,441	16,936,765
Fund balance:									
Reserved for:									
Debt service	—	—	—	—	—	—	—	1,640,053	1,640,053
Encumbrances	2,246	475,533	60,858	3,900	—	956,804	—	58,075	1,557,416
Contingencies	—	—	—	—	—	—	—	6,382,120	6,382,120
Industrial development	—	—	—	—	—	—	—	201,303	201,303
Revolving loans to general fund	—	—	—	—	—	—	—	1,193,215	1,193,215
Prepaid items	—	90,747	—	—	—	—	—	—	90,747
Unreserved:									
Designated for subsequent year's expenditures	557,237	—	336,589	708,370	—	7,355,311	—	—	8,957,507
Designated for future claims	362,747	—	—	—	—	—	—	—	362,747
Designated for subsequent year's expenditure in nonmajor special revenue funds	—	—	—	—	—	—	—	529,201	529,201
Designated for subsequent year's expenditure in nonmajor capital projects funds	—	—	—	—	—	—	—	7,834,670	7,834,670
Undesignated, reported in nonmajor special revenue funds	—	—	—	—	—	—	—	20,767,139	20,767,139
Undesignated	3,829,319	9,626,731	—	—	—	—	8,290,655	—	21,746,705
Total fund balance	4,751,549	10,193,011	397,447	712,270	—	8,312,115	8,290,655	38,605,776	71,262,823
Total liabilities and fund balance	6,138,498	10,567,905	5,413,492	2,645,733	—	8,452,397	10,911,346	44,070,217	88,199,588

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION

Shreveport, Louisiana

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets**

Year ended December 31, 2004

Fund balances – total governmental funds		\$	70,733,622
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds			
Governmental capital assets	475,510,511		
Less accumulated depreciation	<u>(214,826,621)</u>		260,683,890
Other assets used in governmental activities that are not financial resources and, therefore are not reported in the governmental funds			
Unamortized bond issuance costs			30,565
Some of the Commission's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore are deferred in the governmental funds			
			1,071,708
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore are not reported in the governmental funds			
Accrued interest payable	(340,770)		
Compensated absences	(1,218,440)		
Deferred loss on refunding	250,962		
Bonds, notes, and loans payable	<u>(22,355,000)</u>		(23,663,248)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities			
			<u>3,868,000</u>
Net assets of governmental activities		\$	<u><u>312,724,537</u></u>

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year ended December 31, 2004

		Shreve Memorial Library Fund	Detention Facilities Fund	Juvenile Court Fund	Head Start Fund	Capital Outlay Fund	Road Construction Fund	Other Governmental Funds	Total Governmental Funds
Revenues	General								
Taxes	\$ 4,122,965	9,116,969	5,514,663	2,064,326	—	—	4,595,176	19,668,858	45,082,957
Licenses and permits	444,086	—	—	—	—	29,700	—	149,127	622,913
Intergovernmental	1,133,482	513,370	451,307	418,670	9,546,209	—	1,279,823	1,831,077	15,173,938
Charges for services	—	—	—	—	—	—	—	63,319	63,319
Fines and forfeitures	—	103,669	—	142,828	—	—	—	—	246,497
Gaming	124,135	—	—	—	—	—	—	2,374,176	2,498,311
Use of money and property:									
Rental, camping fees, and other	—	—	—	—	—	—	—	161,134	161,134
Investment earnings	47,506	55,609	—	3,885	—	167,654	184,642	520,428	979,724
Change in the fair value of Investments	(899)	—	(20)	(1,563)	—	(54,618)	(37,222)	(133,157)	(227,479)
Other revenues	206,158	181,830	6,938	1,830	—	—	48,816	148,256	593,828
Total revenues	6,077,433	9,971,447	5,972,888	2,629,976	9,546,209	142,736	6,071,235	24,783,218	65,195,142
Expenditures									
Current:									
General government	2,053,437	—	—	—	—	—	—	177,671	2,231,108
Criminal justice	3,863,918	—	7,556,793	2,511,942	—	—	—	211,514	14,144,167
Health and welfare	32,947	—	—	—	9,546,209	—	—	3,304,513	12,883,669
Highways and streets	—	—	—	—	—	—	1,130,718	4,314,101	5,444,819
Building facilities	—	—	—	182,351	—	—	—	2,464,757	2,647,608
Drainage	—	—	—	—	—	—	—	518,514	518,514
Sanitation	—	—	—	—	—	—	—	2,294,201	2,294,201
Culture and recreation	—	7,573,369	—	—	—	—	—	804,371	8,377,740
Economic development	—	—	—	—	—	—	—	1,749,937	1,749,937
Debt service:									
Principal	—	2,065,000	—	—	—	—	—	1,935,000	4,000,000
Interest	—	390,108	—	—	—	—	—	600,583	990,691
Fees and charges	—	—	—	—	—	—	—	100,027	100,027
Capital outlay	—	489,124	—	—	—	6,116,213	—	—	6,605,337
Total expenditures	5,950,302	10,517,601	7,556,793	2,694,793	9,546,209	6,116,213	1,130,718	18,475,189	61,987,818
Excess (deficiency) of revenues over (under) expenditures	127,131	(546,154)	(1,583,905)	(64,817)	—	(5,973,477)	4,940,517	6,308,029	3,207,324
Other Financing Sources (Uses)									
Refunding certificates issued	—	—	—	—	—	—	—	6,365,000	6,365,000
Payment to refunding escrow agent	—	—	—	—	—	—	—	(6,358,931)	(6,358,931)
Transfers in	500,000	408,774	1,875,000	285,000	—	5,522,528	661,593	1,918,843	11,171,738
Transfers out	—	—	—	—	—	(930,436)	(4,507,350)	(5,778,123)	(11,215,909)
Total other financing sources and uses	500,000	408,774	1,875,000	285,000	—	4,592,092	(3,845,757)	(3,853,211)	(38,102)
Net change in fund balances	627,131	(137,380)	291,095	220,183	—	(1,381,385)	1,094,760	2,454,818	3,169,222
Fund balances, beginning	4,124,418	10,330,391	106,352	492,087	—	9,693,500	7,195,895	35,621,757	67,564,400
Fund balances, ending	\$ 4,751,549	\$ 10,193,011	\$ 397,447	\$ 712,270	\$ —	\$ 8,312,115	\$ 8,290,655	\$ 38,076,575	\$ 70,733,622

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Statement of Activities

Year ended December 31, 2004

Net change in fund balances – total governmental funds		\$ 3,169,222
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense		
Capital outlay	3,984,889	
Depreciation expense	<u>(14,477,424)</u>	(10,492,535)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial revenues		9,443,381
Revenues reported in the statement of activities are not reported in governmental funds because they do not provide current financial resources. This adjustment is to recognize the net change in unavailable revenues (property taxes and special assessments)		(477,915)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:		
Principal payments	4,000,000	
Payment of bond issue costs	<u>26,484</u>	4,026,484
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Amortization of deferred loss on advance refunding	(55,019)	
Amortization of bond issue costs	(7,173)	
Increase in compensated absences	(34,372)	
Decrease in accrued interest	43,425	
Loss on disposal of capital assets	<u>(1,757,397)</u>	(1,810,536)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.		<u>765,656</u>
Change in net assets of governmental activities		<u>\$ 4,623,757</u>

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Statement of Net Assets

Proprietary Funds

December 31, 2004

Assets	Governmental Activities Internal Service Funds
Current assets:	
Cash and cash equivalents	\$ 993,425
Investments	2,744,619
Receivables, net	108,136
Due from other funds	72,142
Inventories	37,247
Total current assets	3,955,569
Noncurrent assets:	
Capital assets:	
Land	163,475
Sewer line	107,541
Buildings	134,428
Vehicles	14,579
Equipment	23,322
Less accumulated depreciation	(115,377)
Total capital assets (net of accumulated depreciation)	327,968
Total assets	4,283,537
Liabilities	
Current liabilities:	
Accounts payable	43,619
Accrued liabilities	5,839
Accrued insurance claims payable	293,937
Due to other funds	72,142
Total current liabilities	415,537
Net Assets	
Invested in capital assets	327,968
Unrestricted	3,540,032
Total net assets	\$ 3,868,000

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION

Shreveport, Louisiana

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

Year ended December 31, 2004

	Governmental Activities Internal Service Funds
Operating Revenues	
Employer's contributions	\$ 2,002,894
Employees' contributions	688,979
Charges for sales and services	<u>2,392,959</u>
Total operating revenues	<u>5,084,832</u>
Operating Expenses	
Claims	1,951,822
Cost of sales and service	1,223,089
Insurance premiums	858,694
General and administrative	326,187
Depreciation	10,298
Other	<u>34,436</u>
Total operating expenses	<u>4,404,526</u>
Operating income	<u>680,306</u>
Nonoperating Revenues (Expenses)	
Investment earnings	43,239
Interest expense	<u>(2,061)</u>
Total nonoperating revenues	<u>41,178</u>
Income before transfers	721,484
Transfers in	<u>44,171</u>
Change in net assets	765,655
Total net assets, beginning	<u>3,102,345</u>
Total net assets, ending	<u>\$ 3,868,000</u>

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2004

	Governmental Activities Internal Service Funds
Cash flows from operating activities:	
Contributions	\$ 2,754,328
Receipts from operations	2,474,843
Payments to suppliers	(2,566,299)
Claims paid	(1,932,739)
Net cash provided by operating activities	<u>730,133</u>
Cash flows from noncapital financing activities:	
Interest paid	(2,061)
Transfers in	44,171
Net cash provided by capital and related financing activities	<u>42,110</u>
Cash flows from investing activities:	
Purchase of investments	(485,881)
Interest received	56,569
Net cash provided by investing activities	<u>(429,312)</u>
Net increase in cash and cash equivalents	342,931
Cash and cash equivalents, beginning of year	650,494
Cash and cash equivalents, end of year	<u>\$ 993,425</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 680,306
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	10,298
(Increase) decrease in assets:	
Receivables	(11,216)
Inventory	15,657
Due from other funds	155,555
Increase (decrease) in liabilities:	
Accrued insurance claims payable	19,083
Accounts payable	25,187
Accrued liabilities	(9,182)
Due to other funds	(155,555)
Total adjustments	<u>49,827</u>
Net cash provided by operating activities	<u>\$ 730,133</u>
Noncash items:	
Net decrease in the fair value of investments	(14,897)

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2004

Assets	
Cash and cash equivalents	\$ 4,554
Investments	68,081
Receivables	2,664
Due from other government agencies	<u>105,625</u>
Total assets	<u><u>180,924</u></u>
Liabilities	
Accounts payable and accrued liabilities	49,187
Due to other governmental agencies	<u>131,737</u>
Total liabilities	<u><u>\$ 180,924</u></u>

See accompanying notes to basic financial statements.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2004

(1) Summary of Significant Accounting Policies

The Caddo Parish Commission (the Commission) is the governing authority for Caddo Parish and is a political subdivision of the state of Louisiana. The Commission, under the provisions of Louisiana Revised Statutes 33:1271-1285, enacts ordinances, sets policy, and establishes programs in such fields as criminal and juvenile justice, highways and streets, sanitation, planning and zoning, public health and welfare, libraries, culture and recreational facilities, economic development, and general administrative services.

The Commission was established December 10, 1984, after voter approval of the Home Rule Charter for Caddo Parish on April 7, 1984. The Commission replaced the Caddo Parish Police Jury which was established January 18, 1838.

(a) Reporting Entity

The basic criterion for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for government wide financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

These financial statements present only the Caddo Parish Commission (the primary government) and do not include the data of the discrete component units necessary for reporting in conformity with accounting principles generally accepted in the United States of America.

Other than the exclusion of the data of the discrete component units, the accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies:

(b) Government Wide and Fund Financial Statements

The government wide financial statements (GWFS) (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Commission.

The statement of net assets presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2004

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense is identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements (FFS) are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the FFS.

(c) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The GWFS are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary FFS. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental FFS are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes are considered "measurable" at the time of levy, whereas items such as beer taxes are considered "measurable" when in the hands of intermediary collecting agencies and are recognized as revenue at that time. Substantially all other non-intergovernmental revenues are susceptible to accrual and are recognized when earned or the underlying transaction occurs. Sales taxes are accrued in the individual funds to which they pertain. For intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Grants and similar items are recognized as revenues as soon as all eligibility requirements have been met. In reimbursement-type programs, monies must be expended on the specific purpose or project before any amounts will be paid to the Commission; therefore, revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2004

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the financial statements. The following fund types are used by the Commission:

Governmental Funds

Governmental funds are those through which most governmental functions of the Commission are financed. The acquisition, use, and balances of the Commission's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The Commission reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those required to be accounted for in another fund.

Detention Facilities Fund – The Detention Facilities Fund accounts for the proceeds of a special ad valorem tax and other revenues dedicated to the maintenance and operation of the Caddo Correctional Center and Juvenile Court Detention Facility.

Juvenile Court Fund – The Juvenile Court Fund accounts for the proceeds of a special ad valorem tax dedicated to the maintenance and operation of the parish juvenile court facility.

Head Start – The Head Start Fund accounts for federal monies received by the Commission that are passed through to the Caddo Community Action Agency.

Shreve Memorial Library Fund – The Shreve Memorial Library Fund accounts for the proceeds of a special ad valorem tax and other revenues dedicated to the operation of the Shreve Memorial Library system.

Road Construction Fund – The Road Construction Fund accounts for the proceeds of a sales tax approved by the voters in 1989. The tax was dedicated to capital improvement of roads and bridges. The fund also accounts for the proceeds of a portion of the gasoline tax levied by the state of Louisiana. These funds are dedicated to road and bridge improvement by the state.

Capital Outlay Fund – The Capital Outlay Fund was established to account for capital expenditures and capital projects still in progress. Monies for the Capital Outlay Fund are provided through transfers from various funds of the Commission.

Additionally, the Commission reports the following governmental fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2004

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund receives a dedicated portion of ad valorem taxes paid to the Commission.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. These funds are also used to account for the construction of public improvements, which are to be ultimately financed through assessments to individual property owners.

Permanent Funds – In accordance with GASB Statement No. 34, Nonexpendable Trust Funds are now referred to as Permanent Funds. The Jail Site Permanent Fund was established in accordance with a government mandate by the legislature to account for the proceeds from the sale of certain property in downtown Shreveport. The fund is nonexpendable and may only be utilized for the purpose of making revolving loans to the General Fund.

Proprietary Fund Type

The Proprietary Fund type is used to account for the Commission's ongoing organizations and activities which are similar to those often found in the private sector. The Internal Service Funds are the only Proprietary Funds maintained by the Commission. The Internal Service Funds are used to account for the financing of services provided by one fund of the Commission to other funds on a cost-reimbursement basis. The following are the Commission's Internal Service Funds:

Group Insurance Fund – The Group Insurance Fund is used to account for employee medical and life insurance coverage.

General Insurance Fund – The General Insurance Fund is used to account for casualty and workmen's compensation insurance coverage and claims.

Fleet Services – The Fleet Services Fund is used to account for the vehicle and equipment repair services provided by the Commission's Central Garage location.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the Commission in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Agency Funds – Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The Criminal Court Fund was established in accordance with a government mandate by the legislature to account for the proceeds from the operations of the First Judicial District Court. All fines, court costs, and bond forfeitures imposed by the Court are dedicated to trial costs and other operating expenditures. The Jury Fund was established in accordance with a government mandate by the legislature to account for the proceeds from a special fee assessed on criminal cases. The fees are used to provide compensation of jurors in criminal matters.

CADDO PARISH COMMISSION

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Notes to Basic Financial Statements

December 31, 2004

(d) Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities column in the GWFS. Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The Commission maintains a threshold level for capitalization of capital assets except land. All land is capitalized, regardless of the amount. All other capital assets are capitalized utilizing a threshold of \$5,000 for land improvements, buildings and building improvements, furniture, equipment, vehicles, and construction in progress. Infrastructure is capitalized utilizing a threshold of \$200,000 for roads, \$75,000 for bridges, \$50,000 for drainage ditches, and \$5,000 for solid waste. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are not reported in the FFS.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is calculated based on the following estimated useful lives:

Land improvements	20 years
Buildings	40 – 45 years
Building improvements	20 years
Sewer line	50 years
Drainage	15 – 30 years
Roadways	20 – 40 years
Bridges	40 years
Solid waste	15 years
Vehicles	5 years
Equipment	5 – 20 years

(e) Long-Term Liabilities

In the GWFS, and proprietary fund types in the FFS, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the term of the related debt. Bonds payable are reported net of the applicable bond premium or discount.

In the FFS, governmental fund-types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources

CADDO PARISH COMMISSION

Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2004

while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(f) *Encumbrances*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation, is employed in the Commission's governmental funds. Every appropriation, except an appropriation for a capital expenditure, will lapse at the close of the fiscal year to the extent it has not been expended. Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities.

(g) *Investments*

State statutes authorize the Commission to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the state of Louisiana, which operates a local government investment pool. Investments of the Commission are stated at fair value. Investments, excluding the LAMP investments, are held in the Commission's name through a book-entry system at the Federal Reserve Bank.

(h) *Inventories*

Inventories are valued at cost using the first-in, first-out (FIFO) method. Inventory in the Internal Service Fund consists of parts, signs, and fuel. Inventories are accounted for using the purchase method.

(i) *Deferred Revenues*

Deferred revenues for ad valorem taxes represent those amounts of current year taxes not received within the 60-day period after December 31. Certain licenses are collected in advance; therefore, the recognition of revenue is deferred until the following year.

In addition, deferred revenues in the Road Construction Capital Projects Fund exist because paving assessments receivable are collected over several years. Revenue will be recognized as paving assessments receivable become current. As paving assessments become current but are not collected, the receivables then become delinquent. These receivables are secured by the property improved by the assessments and are, therefore, collectible. Delinquent receivables are immaterial.

(j) *Vacation and Sick Leave*

Full-time Commission employees may earn from 9 to 21 days of annual leave and 12 to 24 days of sick leave per year depending on length of service. Upon resigning, employees may be paid for accumulated annual leave. Retiring employees are not paid for accrued annual leave, but they are

CADDO PARISH COMMISSION
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Notes to Basic Financial Statements

December 31, 2004

given credit toward retirement length of service. Similarly, employees are not paid for accrued sick leave upon resigning or retiring, but accrued sick leave may be applied against total employment years at retirement.

Full-time Shreve Memorial Library employees may earn from 12 to 22 days of annual leave and 6 to 15 days of sick leave annually depending on length of service. Employees may accrue a maximum of 44 days of annual leave and 60 days of sick leave. Any accrual over the maximum is forfeited. Employees resigning or retiring from the Library with proper notice are paid for their accrued annual leave. Accumulated sick leave is canceled upon termination or retirement with no credit toward retirement length of service.

In the FFS, the matured liability for compensated absences, which includes salary and salary-related payments, is reported in the fund. The total liability is reported in the GWFS. Accrued sick leave benefits are not accrued due to the Commission's policy of not paying benefits upon termination. No accrual is made in the governmental funds because the liability is not matured.

(k) Pension Plans

The Commission participates in two pension plans, which are administered by other governmental entities. These plans cover substantially all employees who meet certain length of service requirements (see note 7 for details of these plans).

(l) Reserves

Use of the term "reserve" in describing governmental fund "fund balances" and proprietary fund "net assets" indicates that a portion of the fund balance or net assets is not appropriable for expenditure or is legally segregated for a specific future use. The nature and purpose of these reserves are explained as follows:

Debt Service

This amount represents the portion of fund balance that has been reserved in the Debt Service Fund for future payment of principal and interest on bonded debt and revenue bonds.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances are reported as reservations of fund balances.

Revolving Loans to General Fund

This amount represents the total fund balance of the Jail Site Permanent Fund, which as mandated by the Louisiana State Legislature, is reserved for and restricted to providing a source of funding for the purpose of making annual revenue anticipation loans to the General Fund.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2004

Contingencies

This represents the fund balance of the Reserve Trust Fund, established to provide financial resources in the event of a major interruption in budgeted revenues, a catastrophic natural disaster, an extraordinary economic development opportunity, or other occasion requiring immediate emergency funding needs or cash flow loan demand.

Industrial Development

This amount represents the total fund balance of the Economic Development Special Revenue Fund, which is reserved for industrial development in Caddo Parish.

(m) Designations

Use of the term "designated" in describing governmental fund "fund balances" indicates that a portion of the fund balance has been segregated to indicate tentative plans for future financial resource use. The nature and purpose of these designations are explained as follows:

Designated for Future Claims

This amount represents a portion of fund balance that has been designated to fund possible claims and losses from lawsuits.

Designated for Subsequent Year Expenditures

This amount represents a portion of the current year fund balance that has been designated in the subsequent year budget to cover anticipated expenditures in excess of revenues.

(n) Interfund Receivables and Payables

All outstanding balances between funds are reported as due to/from other funds. There is no activity between funds that is representative of lending/borrowing arrangements at the end of the fiscal year.

The Criminal Court Agency Fund includes receipts and disbursements of the First Judicial District Court. The monies in the fund are not available for use by the Commission. However, state law requires that the Commission fund all deficits of the fund and entitles the Commission to one-half of any surplus. These transactions are accounted for as receipts or disbursements of the Criminal Court Fund and the General Fund as applicable.

(o) Grants From Other Governmental Agencies

Federal and state governmental agencies represent an important source of supplementary funding to finance housing, employment, construction programs, and other activities beneficial to the parish. These funds, primarily in the form of grants, are recorded in the General, Special Revenue, and Capital Projects Funds. A grant receivable is recorded when the Commission has a right to reimbursement under the related grant. The grants normally specify the purpose for which the funds may be used and are audited annually under the single audit approach as mandated in OMB Circular A-133.

CADDO PARISH COMMISSION
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Notes to Basic Financial Statements

December 31, 2004

(p) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Commission considers all highly liquid investments with an original maturity of three months or less when purchased and its investment in the Louisiana Asset Management Pool (LAMP) to be cash equivalents.

(2) Cash and Investments

(a) Deposits

All deposits of the Commission are held by area financial institutions. At December 31, 2004, the carrying amount of the Commission's cash deposits, including fiduciary funds, was \$1,987,065 and the bank balance was \$3,322,730. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount of the deposit with the fiscal agent.

Of the bank balance at December 31, 2004, \$125,267 was covered by federal depository insurance and \$6,547,432 was collateralized with securities held by the pledging financial institution. Collateral securities were held in the Commission's name by the Federal Reserve Bank and require Commission approval in order to release the collateral.

The Commission maintains a pooled cash and investments account for all funds of the Commission. Each fund's positive equity in the pooled cash account is presented as "Cash and Cash Equivalent" or "Investments" in the statements. Negative equity balances have been reclassified and are reflected as interfund accounts payable. Interest income and interest expense are allocated to each respective individual fund monthly, based on their respective fund balances.

(b) Investments

State statutes authorize the Commission to invest in direct obligations of the United States Treasury, United States government agency obligations, LAMP, or certificates and time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana.

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The Commission's investments, with the exception of the LAMP, are considered to be Category 1. Category 1 includes investments that are insured or registered or for which the securities are held by the Commission or its safekeeping agent in the Commission's name. The U.S. Treasury and agency obligations are held in the Commission's name through a book-entry system at the Federal Reserve Bank. The Commission's investments and deposits at December 31, 2004 include the following:

	<u>Category 1</u>	<u>Carrying amount and fair value</u>
U.S. government and U.S. government agency obligations	\$ 36,980,932	36,980,932
Repurchase Agreement	179,265	179,265
Louisiana Asset Management Pool (LAMP)	N/A	<u>2,530,174</u>
Total investments		39,690,371
Total deposits		<u>1,987,065</u>
Cash, cash equivalents, and investments		<u>\$ 41,677,436</u>

Investments in LAMP are not categorized above because they are not evidenced by securities that exist in physical or book entry form. LAMP, a local government investment pool, is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the state of Louisiana. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a-7, which governs registered money market funds. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give participants immediate access to their account balances.

(3) Ad Valorem Taxes

The Commission levies taxes on real and business personal property located within Caddo Parish's boundaries. Property taxes are levied by the Commission on property values assessed by the Caddo Parish Tax Assessor and approved by the state of Louisiana Tax Commission.

The Caddo Parish Sheriff's Office bills and collects property taxes for the Commission. Collections are remitted to the Commission monthly. Commission property tax revenues are recognized when levied to the extent that they are collected within 60 days after year-end.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2004

Property Tax Calendar

Assessment date	January 1
Levy date	Not later than June 1
Tax bills mailed	On or about November 25
Total taxes are due	December 31
Penalties and interest are added	January 1
Lien date	January 1
Tax sale – 2004 delinquent property	On or about May 18, 2005

The Commission is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes, 35% of the assessed valuation for the payment of principal and interest on long-term debt after approval by the voters of the parish. A total of approximately \$467,233,763 of additional bonded debt is available for issuance pursuant to the 35% limitation. Property taxes are recorded as receivables and revenues in the year assessed, net of combined estimated allowance for uncollectible accounts of \$1,508,459. Taxes totaling \$1,071,708 not collected within 60 days have been deferred in the FFS.

Assessed values are established by the Caddo Parish Tax Assessor each year on a uniform basis at the following ratios to fair value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2004. Total assessed value was \$1,364,082,180 in 2004. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$327,812,250 of the assessed value in 2004.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2004

The distribution of the Commission's levy (tax rate per \$1,000 assessed value) to its funds was as follows for 2004:

<u>Fund</u>	<u>Property within Shreveport or Vivian</u>	<u>Property outside Shreveport and Vivian</u>
General Fund	\$ 3.32%	6.65%
Road and Bridge	4.54%	4.54%
Courthouse Maintenance	2.77%	2.77%
Detention Facilities	5.43%	5.43%
Parks and Recreation	0.86%	0.86%
Solid Waste Disposal	0.18%	0.18%
Drainage	1.18%	1.18%
Juvenile Court	2.01%	2.01%
Criminal Justice	1.64%	1.64%
Health Unit	2.06%	2.06%
Shreve Memorial Library	8.94%	8.94%
Biomedical	1.70%	1.70%
Debt Service	1.95%	1.95%
	<u>\$ 36.58%</u>	<u>39.91%</u>

CADDO PARISH COMMISSION
Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2004

(4) Capital Assets

A summary of changes in capital assets is as follows:

	Balance, December 31, 2003	Additions	Retirements	Balance, December 31, 2004
Governmental activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 12,962,400	1,254,689	(44,930)	14,172,159
Construction in progress	4,453,501	770,790	(1,341,334)	3,882,957
Total capital assets not being depreciated	<u>17,415,901</u>	<u>2,025,479</u>	<u>(1,386,264)</u>	<u>18,055,116</u>
Capital assets being depreciated:				
Buildings and structures	74,220,492	1,075,334	(80,813)	75,215,013
Equipment and vehicles	21,724,956	1,903,242	(882,195)	22,746,003
Infrastructure	353,422,254	9,779,548	(3,264,078)	359,937,724
Total capital assets being depreciated	<u>449,367,702</u>	<u>12,758,124</u>	<u>(4,227,086)</u>	<u>457,898,740</u>
Less accumulated depreciation for:				
Buildings and structures	(16,538,334)	(1,851,965)	47,641	(18,342,658)
Equipment and vehicles	(14,000,405)	(2,136,755)	850,149	(15,287,011)
Infrastructure	(172,416,159)	(10,499,002)	1,602,832	(181,312,329)
Total accumulated depreciation	<u>(202,954,898)</u>	<u>(14,487,722)</u>	<u>2,500,622</u>	<u>(214,941,998)</u>
Total capital assets being depreciated, net	<u>246,412,804</u>	<u>(1,729,598)</u>	<u>(1,726,464)</u>	<u>242,956,742</u>
Capital assets, net	<u>\$ 263,828,705</u>	<u>295,881</u>	<u>(3,112,728)</u>	<u>261,011,858</u>

At December 31, 2004, construction in progress largely consisted of approximately \$3,233,139 in a construction project related to a fireproof stairwell at the Caddo Parish Courthouse.

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The Commission leases the Shreveport Regional Lab to the State Department of Health and Hospitals under an operating lease expiring in June of 2009. The building being leased has a cost of \$1,496,340. Minimum future rentals to be received are as follows:

Years ending December 31:	<u>Amount</u>
2005	\$ 145,000
2006	145,000
2007	145,000
2008	145,000
2009	145,000

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General Government	\$ 60,675
Criminal Justice	949,483
Health and Welfare	232,725
Highways and Streets	10,656,668
Building Facilities	346,728
Drainage	572,281
Sanitation	103,505
Economic Development	1,511,414
Culture and Recreation	54,243
Total depreciation expense – governmental activities	<u>\$ 14,487,722</u>

(5) Long-Term Debt

The following is a summary of the long-term obligation activity for the year ended December 31, 2004:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds payable	\$ 11,570,000	6,365,000	7,740,000	10,195,000	1,765,000
Certificates of indebtedness	14,605,000	—	2,445,000	12,160,000	2,450,000
Deferred loss	(125,981)	55,019	180,000	(250,962)	—
Claims and judgments payable	274,854	1,951,822	1,932,739	293,937	293,937
Compensated absences	1,184,068	705,100	670,728	1,218,440	591,214
Governmental activity long-term liabilities	<u>\$ 27,507,941</u>	<u>9,076,941</u>	<u>12,968,467</u>	<u>23,616,415</u>	<u>5,100,151</u>

CADDO PARISH COMMISSION
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Long-term debt at December 31, 2004 is comprised of the following issues:

General obligation bonds – applicable to general parish operations:

\$13,685,000 1995 Refunding Bonds, due in one final installment of \$1,335,000 on February 1, 2005 with interest at 5.00%	\$ 1,335,000
\$3,425,000 1998 Refunding Bonds, due in annual installments of \$40,000 to \$420,000 through February 1, 2011; interest at 3.75% to 4.65%	2,495,000
\$6,365,000 2004 Refunding Bonds, due in annual installments of \$130,000 to \$1,640,000 through February 1, 2009; interest at 2.79%	<u>6,365,000</u>
Total general obligation bonds payable	10,195,000
\$7,000,000 Certificates of Indebtedness, Series 2001, due in annual installments of \$1,080,000 to \$1,800,000 through March 1, 2006; interest at 3.24% to 3.9%	2,280,000
\$9,000,000 Certificates of Indebtedness, Series 2002, due in annual installments of \$360,000 to \$1,135,000 through March 1, 2012; interest at 2.875% to 3.7%	7,875,000
\$2,060,000 Refunding Certificates of Indebtedness, Series 2003, due in annual installments of \$25,000 to \$420,000 through December 1, 2009; interest at 1.0% to 3.5%	2,005,000
Total certificates of indebtedness	<u>12,160,000</u>
Total long-term debt	<u>\$ 22,355,000</u>

The annual requirements, excluding a deferred loss of \$250,962, to amortize all debt outstanding as of December 31, 2004 are as follows:

	Governmental activities		Total
	Principal	Interest	
Years ending December 31:			
2005	\$ 4,215,000	637,678	4,852,678
2006	4,175,000	536,712	4,711,712
2007	3,170,000	421,209	3,591,209
2008	3,295,000	322,295	3,617,295
2009	3,425,000	216,601	3,641,601
2010 – 2012	4,075,000	219,799	4,294,799
	<u>\$ 22,355,000</u>	<u>2,354,294</u>	<u>24,709,294</u>

CADDO PARISH COMMISSION
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December 31, 2004

Principal payments of \$1,555,000 plus interest of \$543,203 on the bonds payable were paid from the Debt Service Fund. Principal payments of \$2,445,000 plus interest of \$447,488 on the certificates of indebtedness were paid from the Riverboat Fund and the Shreve Memorial Library Fund.

There are a number of limitations and restrictions contained in the various bond indentures and the certificates. Management believes the Commission is in substantial compliance with all significant limitations and restrictions.

General obligation bonds are direct general obligations of the Commission. Principal and interest are payable from ad valorem taxes levied on all taxable property within the parish.

In 1995, the Commission issued \$13,685,000 in general obligation refunding bonds to advance refund a portion of the 1989 Series general obligation bonds in the amount of \$12,580,000. The outstanding principal balances on the 1989 series bonds from February 1, 2001 to February 1, 2009 were the balances subject to the advance refunding and are considered to be defeased. The outstanding balance of the defeased bonds at December 31, 2004 is \$7,490,000.

In March 1998, the Commission issued \$3,425,000 of general obligation refunding bonds to advance refund a portion of the Series 1991 A and the Series 1991 B general obligation bonds in the amounts of \$2,445,000 and \$695,000, respectively. The Series 1991 A and B bonds are considered defeased and the liability for those bonds has been removed from the general long-term obligation. At December 31, 2004, the outstanding balance on the 1991 A and 1991 B refunded bonds was \$1,900,000 and \$540,000, respectively.

In 2003, the Commission issued \$2,060,000 of Certificates of Indebtedness, Series 2003. The net proceeds of \$2,046,870 (after payment of \$13,130 in costs of issuance) were used to defease the 1999 Series Certificates of Indebtedness of \$1,915,000. The reacquisition price exceeded the net carrying amount of the old debt by \$145,000. This amount is being netted against the new debt and amortized over seven years, which is equal to the life of the old debt and the life of the new debt. Amortization for 2004 was \$19,019.

In 2004, the Commission issued \$6,365,000 of general obligation refunding bonds to advance refund a portion of the 1995 Series general obligation refunding bonds. The net proceeds of \$6,358,931 (after payment of \$26,484 in costs of issuance) were used to defease the 1995 Series general obligation refunding bonds of \$6,185,000. The reacquisition price exceeded the net carrying amount of the old debt by \$180,000. This amount is being netted against the new debt and amortized over five years, which is equal to the life of the old debt and the life of the new debt. Amortization for 2004 was \$36,000. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding totaled \$358,951. An economic gain (difference between the present value of the old and new debt service payments) of \$335,361 resulted from the refunding.

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Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2004

(6) Other Required Individual Fund Disclosures

(a) Interfund Receivables and Payables

Individual fund interfund receivable and payable balances at December 31, 2004 were as follows:

Due from Other Funds	Due to Other Funds						Total
	General Fund	Detention Facilities Fund	Juvenile Court Fund	Nonmajor Debt Service Fund	Nonmajor Capital Outlay Fund	Nonmajor Special Revenue Funds	
General Fund	-	-	-	-	-	470,302	470,302
Shreve Memorial Library	-	-	-	-	408,774	-	408,774
Road Construction Fund	-	-	-	-	-	2,033,852	2,033,852
Capital Outlay Fund	-	-	1,088,767	232,518	-	352,039	1,673,324
Nonmajor Special Revenue	-	3,062,092	418,623	-	-	-	3,480,715
Nonmajor Capital Outlay	-	1,506,596	-	-	-	-	1,506,596
Permanent Fund	1,100,000	-	-	-	-	-	1,100,000
	<u>1,100,000</u>	<u>4,568,688</u>	<u>1,507,390</u>	<u>232,518</u>	<u>408,774</u>	<u>2,856,193</u>	<u>10,673,563</u>

All balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

(b) Transfers

A reconciliation of operating transfers follows:

Transfers Out	Transfers In								Total
	General Fund	Detention Facilities Fund	Juvenile Court Fund	Shreve Memorial Library Fund	Capital Outlay Fund	Road Construction Fund	Nonmajor Special Revenue Fund	Internal Service Funds	
Road Construction Fund	\$ -	-	-	-	4,507,350	-	-	-	4,507,350
Capital Outlay Fund	-	-	-	-	-	661,593	268,843	-	930,436
Nonmajor Special Revenue Fund	500,000	1,875,000	285,000	-	915,178	-	1,650,000	44,171	5,269,349
Nonmajor Capital Project Fund	-	-	-	408,774	100,000	-	-	-	508,774
	<u>\$ 500,000</u>	<u>1,875,000</u>	<u>285,000</u>	<u>408,774</u>	<u>5,522,528</u>	<u>661,593</u>	<u>1,918,843</u>	<u>44,171</u>	<u>11,215,909</u>

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The Capital Outlay Fund was established to budget and monitor the status of ongoing capital projects and expenditures. The funding for this fund is provided primarily through transfers from various other funds of the Commission.

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Notes to Basic Financial Statements

December 31, 2004

(7) Defined Benefit Pension Plans

(a) Description of Plans

The Commission provides retirement, death, and disability benefits to its employees through two pension plans administered by other governmental entities.

Parochial Employees' Retirement System of Louisiana (Parochial Plan)

Plan Description – Substantially all Commission employees are members of this cost-sharing multiple-employer public employee statewide plan administered by the Parochial Employees' Retirement System. All classified parish employees who work at least 28 hours per week and are under 60 years of age are required to become members of the plan on the date of employment. Benefit provisions are established in accordance with Louisiana State Statute. The Parochial Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Parochial Employees' Retirement System of Louisiana, P.O. Box 14619, Baton Rouge, Louisiana 70898.

Funding Policy – Covered employees are required to contribute 9.5% of their salary. The Commission is required to contribute 11.75% of covered employees' salaries. The employer and employee contribution obligations are established and may be amended by Louisiana State Statute. The Commission's contributions for the years ended December 31, 2004, 2003, and 2002 were \$1,248,236, \$816,716, and \$772,537, respectively, equal to the required contributions for each year. The plan's pension liability was determined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 27 and equaled zero before and after the transition.

City of Shreveport Employees' Retirement System (City Plan)

Plan Description – Substantially all employees of the Shreve Memorial Library are members of this cost-sharing, multiple-employer defined benefit plan which is administered by the City of Shreveport. Enrollment is mandatory for full-time, permanent employees. Benefit provisions are established and may be amended by Shreveport City ordinance. The City of Shreveport issues a publicly available financial report that includes financial statements and required supplementary information of the City Plan. That report may be obtained by writing the City of Shreveport, P.O. Box 31109, Shreveport, Louisiana 71130.

Funding Policy – Plan members are required to contribute 5% of their salary. The Commission is required to contribute 9.15% of covered employees' salaries. This total contribution rate is allocated between the City Plan and the ERS Employer Contribution Plan, which is a savings plan for members. Under this employer allocation, 5.1% is contributed to the retirement plan and up to 4.05% is contributed to the savings plan, based on a matching of the member's contributions. Any amounts not matched are contributed to the retirement plan. These percentages can vary from year to year based on actuarial evaluations, but in no case will the employer total rate of 9.15% change. The employer and employee contribution obligations are established and may be amended by Shreveport City ordinance. The Commission's contributions for the years ended December 31, 2004, 2003, and

CADDO PARISH COMMISSION
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Notes to Basic Financial Statements

December 31, 2004

2002, were \$249,190, \$228,608, and \$202,637, respectively, equal to the required contribution for each year. The plan's pension liability was determined in accordance with GASB Statement No. 27 and equaled zero before and after the transition.

(8) Post-Employment Healthcare Benefits

In addition to the pension benefits described in note 7, the Commission provides postretirement healthcare benefits and life insurance, in accordance with state statutes, to all retiring employees who were participating in the group insurance plan prior to their retirement date. The Commission is self-insured for medical benefits including postretirement healthcare benefits and life insurance. Currently, there are 94 retirees receiving life insurance coverage and 78 receiving healthcare benefits. The Commission reimburses 80% of the amount of validated claims for medical and hospitalization costs incurred by pre-Medicare employees and their dependents. The Commission also reimburses 80% of Medicare supplemental benefits for retirees over the age of 65. Expenditures for postretirement healthcare benefits are recognized in the year claims are incurred. During 2004, expenditures of \$324,658 were recognized for postretirement healthcare. In addition, expenditures of \$28,000 were recognized for life insurance benefits paid during 2004.

(9) Contingencies

Litigation

The Commission is a defendant in several lawsuits involving civil actions. In the opinion of legal counsel, the Commission's ultimate exposure is unknown at this time. It is the policy of the Commission to pay judgments against the Commission on a current basis from current revenues. Settlements from litigation, insurance, and liability claims are included in General Insurance Fund expenditures.

Grant Disallowances

The Commission participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Commission management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

(10) Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Group Insurance Fund is used to account for self-insurance activities involving group medical and life insurance coverage for Commission employees. The General Insurance Fund is used to account for self-insurance activities involving workers' compensation and general liability claims.

The Commission maintains property, general, automobile, and excess liability insurance coverage. The limit of coverage on the general liability policy is \$1,000,000 per occurrence and \$3,000,000 in the aggregate. The excess liability policy contains an additional aggregate limit of \$1,000,000 for general liability claims. The Commission is self-insured for medical benefits and workers' compensation

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Shreveport, Louisiana

Notes to Basic Financial Statements

December 31, 2004

coverage. Employees contribute for medical benefits coverage, and each department that pays salaries contributes for both medical and workers' compensation coverage. The Commission maintains stop-loss coverage with an insurance company for medical claims in excess of \$150,000 per occurrence with an aggregate total of 125% of expected losses. Stop-loss coverage is also maintained for workers' compensation cases above \$300,000. Settlements have not exceeded insurance coverage for each of the past three fiscal years, and there were no reductions in insurance coverage from coverage in the prior year.

Payments to the Internal Service Funds are accounted for as revenues by the receiving fund and expenditures/expenses by the paying funds. Payments into the fund are available to pay claims and administrative costs of the self-insurance programs. Payments in excess of actual expenses are recorded as transfers. At December 31, 2004, \$2,732,120 and \$881,738, respectively, are reported as Group Insurance Fund and General Insurance Fund net asset balance.

All self-insurance programs are accounted for within Internal Service Funds. The Commission has included incurred but not reported claims in determining its claims liability in both self-insurance programs.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors, including the effects of specific, incremental claim adjustment expenses, salvage, and subrogation. The claims liability of \$270,433 and \$23,504 reported in the Group Insurance and General Insurance Funds, respectively, at December 31, 2004 are based on the requirements of GASB Statement No. 10.

Changes in the Group Insurance Fund's claims liability amount in fiscal years 2003 and 2004 were:

	<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claim payments</u>	<u>Balance, fiscal year end</u>
2003	\$ 286,816	2,451,410	2,494,956	243,270
2004	243,270	1,724,455	1,697,292	270,433

Changes in the General Insurance Fund's claims liability amount in fiscal years 2003 and 2004 were:

	<u>Beginning of fiscal year liability</u>	<u>Current year claims and changes in estimates</u>	<u>Claim payments</u>	<u>Balance, fiscal year end</u>
2003	\$ 36,517	256,535	261,468	31,584
2004	31,584	227,367	235,447	23,504

**REQUIRED SUPPLEMENTARY
INFORMATION**

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual on a Budgetary Basis

General Fund

Year ended December 31, 2004
(unaudited)

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues:				
Taxes:				
Ad valorem	\$ 3,742,110	3,742,110	4,027,031	284,921
Other taxes, penalties, and interest	—	—	95,934	95,934
	<u>3,742,110</u>	<u>3,742,110</u>	<u>4,122,965</u>	<u>380,855</u>
Licenses and permits	<u>383,500</u>	<u>383,500</u>	<u>444,086</u>	<u>60,586</u>
Intergovernmental – state of Louisiana:				
Oil and gas severance tax	750,000	750,000	750,000	—
Beer tax	25,000	25,000	25,175	175
Timber severance pay	100,000	100,000	179,517	79,517
State revenue sharing	165,500	165,500	178,790	13,290
	<u>1,040,500</u>	<u>1,040,500</u>	<u>1,133,482</u>	<u>92,982</u>
Gaming	<u>93,000</u>	<u>93,000</u>	<u>124,135</u>	<u>31,135</u>
Use of money and property:				
Interest earned	45,000	45,000	47,506	2,506
Net decrease in the fair value of investments	—	—	(899)	(899)
	<u>45,000</u>	<u>45,000</u>	<u>46,607</u>	<u>1,607</u>
Other revenues	<u>163,500</u>	<u>163,500</u>	<u>206,158</u>	<u>42,658</u>
Total revenues	<u>5,467,610</u>	<u>5,467,610</u>	<u>6,077,433</u>	<u>609,823</u>
Expenditures:				
General government:				
Commission	512,798	512,798	507,123	5,675
Administration	355,793	361,793	339,929	21,864
Human resources	130,034	130,034	126,201	3,833
Finance	263,811	263,811	242,034	21,777
Information systems	58,147	58,147	19,993	38,154
Elections	376,954	376,954	355,247	21,707
LSU extension	84,139	84,139	66,016	18,123
Metropolitan Planning Commission	155,000	155,000	155,000	—
Archives	58,000	58,000	58,890	(890)
Allocations to other entities	48,000	48,000	48,000	—
Miscellaneous	123,275	123,275	135,004	(11,729)
	<u>2,165,951</u>	<u>2,171,951</u>	<u>2,053,437</u>	<u>118,514</u>
Criminal justice	<u>4,043,070</u>	<u>4,043,070</u>	<u>3,863,918</u>	<u>179,152</u>
Health and welfare	<u>45,073</u>	<u>45,073</u>	<u>32,947</u>	<u>12,126</u>
Total expenditures	<u>6,254,094</u>	<u>6,260,094</u>	<u>5,950,302</u>	<u>309,792</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(786,484)</u>	<u>(792,484)</u>	<u>127,131</u>	<u>919,615</u>
Other financing sources:				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>—</u>
	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>—</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(286,484)</u>	<u>(292,484)</u>	<u>627,131</u>	<u>919,615</u>
Fund balance, beginning of year	<u>3,613,206</u>	<u>3,613,206</u>	<u>4,124,418</u>	<u>511,212</u>
Fund balance, end of year	<u>\$ 3,326,722</u>	<u>3,320,722</u>	<u>4,751,549</u>	<u>1,430,827</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Shreve Memorial Library Fund

Year ended December 31, 2004
(unaudited)

	Original and final budget	Actual	Variance with final budget positive (negative)
Revenues:			
Ad valorem taxes	\$ 8,383,810	9,116,969	733,159
Intergovernmental revenues:			
State grants	59,784	118,197	58,413
State revenue sharing	412,796	395,173	(17,623)
	<u>8,856,390</u>	<u>9,630,339</u>	<u>773,949</u>
Library fines	84,000	103,669	19,669
Use of money and property – interest	115,000	55,609	(59,391)
Other revenues	<u>145,000</u>	<u>181,830</u>	<u>36,830</u>
Total revenues	<u>9,200,390</u>	<u>9,971,447</u>	<u>771,057</u>
Expenditures – culture and recreation:			
Salaries, fringe benefits, and payroll taxes	4,842,676	4,994,024	(151,348)
Supplies	266,800	231,490	35,310
Utilities	564,000	424,730	139,270
Repairs and maintenance	108,400	481,275	(372,875)
Insurance	129,500	145,162	(15,662)
Books and library materials	985,000	900,768	84,232
Miscellaneous	1,053,478	395,920	657,558
Capital expenditures	<u>1,721,594</u>	<u>489,124</u>	<u>1,232,470</u>
Total culture and recreation	<u>9,671,448</u>	<u>8,062,493</u>	<u>1,608,955</u>
Debt service – interest	390,108	390,108	—
Debt service – principal	<u>2,065,000</u>	<u>2,065,000</u>	<u>—</u>
Total expenditures	<u>12,126,556</u>	<u>10,517,601</u>	<u>1,608,955</u>
Excess (deficiency) of revenues over (under) expenditures	(2,926,166)	(546,154)	2,380,012
Other financing sources – transfers in	<u>1,634,594</u>	<u>408,774</u>	<u>(1,225,820)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(1,291,572)	(137,380)	1,154,192
Fund balance, beginning of year	<u>9,189,222</u>	<u>10,330,391</u>	<u>1,141,169</u>
Fund balance, end of year	<u>\$ 7,897,650</u>	<u>10,193,011</u>	<u>2,295,361</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Detention Facilities Fund

Year ended December 31, 2004
(unaudited)

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues:				
Ad valorem taxes	\$ 5,118,470	5,118,470	5,514,663	396,193
Intergovernmental:				
Federal grant	—	—	51,869	51,869
State revenue sharing	246,200	246,200	235,974	(10,226)
State prisoners' grant	—	—	163,464	163,464
	246,200	246,200	451,307	205,107
Other revenues	—	—	6,918	6,918
Total revenues	5,364,670	5,364,670	5,972,888	608,218
Expenditures:				
Criminal justice:				
Caddo Correctional Center:				
Salaries, fringe benefits, and payroll taxes	673,207	673,207	620,191	53,016
Supplies	98,000	98,000	75,002	22,998
Utilities	712,000	712,000	633,484	78,516
Repairs and maintenance	194,000	194,000	192,249	1,751
Insurance	202,613	202,613	203,970	(1,357)
Interest	35,000	35,000	19,747	15,253
Miscellaneous	529,163	529,163	436,530	92,633
Reimbursement for non-statutory prisoners	—	—	—	—
Contracted services – prison operations	3,260,500	3,260,500	3,356,306	(95,806)
Total caddo correctional center	5,704,483	5,704,483	5,537,479	167,004
Juvenile Detention Center:				
Salaries, fringe benefits, and payroll taxes	1,179,179	1,179,179	1,367,220	(188,041)
Supplies	4,000	4,000	1,286	2,714
Repairs and maintenance	198,400	198,400	199,961	(1,561)
Insurance	39,204	39,204	39,204	—
Miscellaneous	199,266	236,266	313,328	(77,062)
Contracted services – prison operations	58,000	58,000	21,603	36,397
Capital outlay	14,100	14,100	8,287	5,813
Total juvenile detention	1,692,149	1,729,149	1,950,889	(221,740)
STAR Boot Camp	2,977	2,977	68,425	(65,448)
Total criminal justice expenditures	7,399,609	7,436,609	7,556,793	(120,184)
Excess (deficiency) of revenues over (under) expenditures	(2,034,939)	(2,071,939)	(1,583,905)	488,034
Other financing sources – transfer in	2,110,000	1,875,000	1,875,000	—
Excess (deficiency) of revenues and other financing sources over (under) expenditures	75,061	(196,939)	291,095	488,034
Fund balance, beginning of year	160,787	160,787	106,352	54,435
Fund balance, end of year	\$ 235,848	(36,152)	397,447	433,599

See accompanying independent auditors' report.

CADDO PARISH COMMISSION

Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Juvenile Court Fund

Year ended December 31, 2004
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Ad valorem taxes	\$ 1,890,440	1,890,440	2,064,326	173,886
Intergovernmental:				
Federal grant	166,238	166,238	221,200	54,962
Other state funds	50,120	50,120	50,120	—
State revenue sharing	84,200	84,200	87,350	3,150
Electronic monitoring	60,000	60,000	60,000	—
	<u>360,558</u>	<u>360,558</u>	<u>418,670</u>	<u>58,112</u>
Fines and forfeitures	108,000	108,000	142,828	34,828
Use of money and property:				
Net decrease in fair value of investments	—	—	(1,563)	(1,563)
Interest	300	300	3,885	3,585
Other revenues	19,670	19,670	1,830	(17,840)
Total revenues	<u>2,378,968</u>	<u>2,378,968</u>	<u>2,629,976</u>	<u>251,008</u>
Expenditures – general government – judicial:				
Court operations:				
Salaries, fringe benefits, and payroll taxes	2,193,450	2,193,450	2,179,524	13,926
Supplies	32,550	26,550	30,013	(3,463)
Utilities	20,000	20,000	24,946	(4,946)
Repairs	77,000	77,000	74,819	2,181
Insurance	89,949	89,949	89,949	—
Interest	30,500	30,500	5,241	25,259
Reimbursements	(210,000)	(445,000)	(558,187)	113,187
Miscellaneous	376,995	681,995	660,578	21,417
Capital outlay	3,500	5,500	5,059	441
Total court operations expenditures	<u>2,613,944</u>	<u>2,679,944</u>	<u>2,511,942</u>	<u>168,002</u>

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Special Revenue Fund
Juvenile Court Fund
Year ended December 31, 2004
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Building maintenance:				
Salaries, fringe benefits, and payroll				
taxes	\$ 144,231	144,231	103,461	40,770
Utilities	165,000	165,000	171,517	(6,517)
Repairs	63,825	63,825	58,181	5,644
Miscellaneous	38,232	38,232	38,392	(160)
Reimbursement from detention facilities	(188,700)	(188,700)	(188,700)	—
Capital outlay	400	400	—	400
Total building maintenance expenditures	<u>222,988</u>	<u>222,988</u>	<u>182,851</u>	<u>40,137</u>
Total expenditures	<u>2,836,932</u>	<u>2,902,932</u>	<u>2,694,793</u>	<u>208,139</u>
Excess (deficiency) of revenues over (under) expenditures	(457,964)	(523,964)	(64,817)	459,147
Other financing sources (uses):				
Transfers in	<u>475,000</u>	<u>285,000</u>	<u>285,000</u>	<u>—</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	17,036	(238,964)	220,183	459,147
Fund balance, beginning of year	<u>492,087</u>	<u>492,087</u>	<u>492,087</u>	<u>—</u>
Fund balance, end of year	<u>\$ 509,123</u>	<u>253,123</u>	<u>712,270</u>	<u>459,147</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION

Notes to Budgetary Comparison Schedules

December 31, 2004

(unaudited)

Budgets and Budgetary Accounting

The Commission utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to November 1, the Parish Administrator submits to the Commission a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) A public hearing is then conducted, after proper official journal notification, to obtain taxpayer comments.
- (3) Prior to December 27, the budget is legally enacted through passage of an ordinance.
- (4) The budget ordinance is structured such that revenues are budgeted by source, and appropriations are budgeted by department (function) or program expenditures. The Home Rule Charter provides that expenditures may not legally exceed appropriations on a functional (departmental or program) basis. Expenditures approved on a functional level are detailed by object account by the Parish Administrator and Finance Director. Revisions to the budget as enacted at the department (function) or program level require Commission action. Revisions at the object level can be approved by the Parish Administrator without seeking approval of the Commissioners. Several such revisions were made during the year ended December 31, 2004.
- (5) The Commission utilizes formal budgetary integration as a management control device and annual budgets are legally adopted for the General Fund, certain Special Revenue Funds, and the Debt Service Fund.
- (6) Comparison of budgeted and actual amounts as shown in the accompanying financial statements includes the General Fund, those Special Revenue Funds which are included in the annual operating budget and for which a budget to actual comparison is required, and the Debt Service Fund. Annual operating budgets were not prepared for the Section 8 Housing Fund, Head Start, and Louisiana Community Development Block Grant Fund. Section 8 Housing prepares their budget on a grant entitlement basis rather than an annual basis. The budget is not readily convertible to an annual operating budget, and thus, is not included in the financial statements. The Head Start Fund and the Louisiana Community Development Block Grant Fund were established to account for transactions involving federal funds received by the Commission. An annual operating budget was not adopted for these funds.

The capital budget appropriations which encompass the Capital Projects Funds present cumulative (project length) as opposed to annual budget amounts, and thus, budget and actual comparisons are not reported in the accompanying financial report for these funds. Actual to budget comparison is not required for the Internal Service Fund and Fiduciary Funds.

- (7) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund type for which an annual budget is prepared. Appropriations which are not expended lapse at year-end.

CADDO PARISH COMMISSION**Notes to Budgetary Comparison Schedules**

December 31, 2004

(unaudited)

Excess of Expenditures Over Budget – Major Funds

For those funds for which a budget to actual comparison was made, actual expenditures on a budgetary basis exceeded budgeted expenditures on a line item basis as follows:

Fund	Final Budget	Actual on a budgetary basis	Negative variance
General Fund:			
General government:			
Archives	\$ 58,000	58,890	(890)
Miscellaneous	123,275	135,004	(11,729)
Shreve Memorial Library:			
Salaries, fringe benefits, and payroll taxes	4,842,676	4,994,024	(151,348)
Repairs and maintenance	108,400	481,275	(372,875)
Insurance	129,500	145,162	(15,662)
Juvenile Court Fund:			
General government – judicial:			
Court operations:			
Supplies	26,550	30,013	(3,463)
Utilities	20,000	24,946	(4,946)
Building maintenance:			
Utilities	165,000	171,517	(6,517)
Miscellaneous	38,232	38,392	(160)
Detention Facilities Fund:			
Criminal Justice:			
Caddo Correctional Center – Contracted services – prison operations	3,260,500	3,356,306	(95,806)
Juvenile Detention Center:			
Salaries, fringe benefits, and payroll taxes	1,179,179	1,367,220	(188,041)
Repairs and maintenance	198,400	199,961	(1,561)
Miscellaneous	236,266	313,328	(77,062)

**COMBINING FUND
FINANCIAL STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Courthouse Maintenance Fund – The Courthouse Maintenance Fund accounts for the proceeds of a special ad valorem tax dedicated for maintenance and operation of the parish courthouse and other public buildings.

Solid Waste Disposal Fund – The Solid Waste Disposal Fund accounts for the proceeds of a special ad valorem tax, sales tax, and other revenues dedicated for maintenance and operation of the parish solid waste system.

Road and Bridge Fund – The Road and Bridge Fund accounts for the proceeds of a special ad valorem tax, special assessments, and other revenues dedicated for road and bridge maintenance and improvement.

Parks and Recreation Fund – The Parks and Recreation Fund accounts for the proceeds of a special ad valorem tax and other revenues dedicated for maintenance and operation of the parish park system.

Louisiana Community Development Block Grant Fund – The Louisiana Community Development Block Grant Fund accounts for federal monies received by the Commission to provide funds for projects that allow for the development of viable urban communities by providing decent housing and a suitable living environment.

Drainage Fund – The Drainage Fund accounts for the proceeds of a special ad valorem tax and other revenues dedicated for maintenance of parish drainage facilities.

Health Tax Fund – The Health Tax Fund accounts for the proceeds of a special ad valorem tax dedicated to the maintenance and operation of the parish health unit and animal services.

Law Officers Witness Fund – The Law Officers Witness Fund accounts for the proceeds of a special case charge on criminal matters. The revenues generated are dedicated to the payment of a special witness fee to law officers who are called as witnesses to testify in district court.

Biomedical Fund – The Biomedical Fund accounts for the proceeds of a special ad valorem tax dedicated to economic development.

Section 8 Housing Fund – The Section 8 Housing Fund accounts for the proceeds of a federal grant program which is dedicated to housing assistance payments for the benefit of low income individuals. The program is funded by the United States Department of Housing and Urban Development.

Riverboat Fund – The Riverboat Fund accounts for revenues received by the Commission from boarding fees related to the riverboat casinos.

Reserve Trust Fund – This fund was established by the Caddo Parish Commission to provide financial resources in the event of a major interruption in budgeted revenues, a catastrophic natural disaster, an extraordinary economic development opportunity, or other occasion requiring immediate emergency funding needs or cash flow loan demand. This fund was established with a transfer from the Riverboat Fund.

Economic Development Fund – This fund was established by the Caddo Parish Commission to account for the proceeds from the sale of land at the old penal farm site, now known as the West Shreveport Industrial Park. The sale proceeds, as well as additional revenues, are dedicated to economic development.

Criminal Justice Fund – The Criminal Justice Fund accounts for the proceeds of a special ad valorem tax dedicated for criminal justice system expenditures.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund is funded by the proceeds of a dedicated ad valorem tax.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Commission has two nonmajor capital projects funds:

Criminal Justice Facilities Fund – The Criminal Justice Facilities Fund accounts for the proceeds of a bond issue approved by the voters in 1988. Additional construction funding was also provided by the state of Louisiana. The issue was dedicated to the construction and renovation of jail facilities.

Library Bond Fund – The Library Bond Fund accounts for the proceeds of certificates of indebtedness. The certificates are dedicated to acquiring, equipping, constructing, and improving the public library system.

FIDUCIARY FUNDS

Agency Funds are used to account for assets held as an agent for other governments. The Commission has two agency funds:

Criminal Court Fund – The establishment of this fund was mandated by the legislature to account for the proceeds from operations of the First Judicial District Court. All fines, court costs, and bond forfeitures imposed by the Court are dedicated to trial costs and other operating expenditures.

Jury Fund – The establishment of this fund was mandated by the legislature to account for the proceeds from a special fee assessed on criminal cases. The fees are used to provide compensation to jurors in criminal matters.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Combining Balance Sheet – By Fund Type
Governmental Activities
Nonmajor Governmental Funds
December 31, 2004

Assets	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Permanent Fund (Jail Site Fund)	Total
Assets:					
Cash and cash equivalents	\$ 939,843	—	464,331	26,823	1,430,997
Investments	12,831,974	—	5,904,857	63,239	18,800,070
Receivables, net					
Ad valorem taxes	14,290,625	1,866,502	—	—	16,157,127
Paving assessments	19,327	—	—	—	19,327
Other	367,803	6,069	—	—	373,872
Accrued interest	75,670	—	34,800	3,153	113,623
Due from other funds	3,480,715	—	1,506,596	1,100,000	6,087,311
Due from other governmental units	558,689	—	—	—	558,689
Total assets	\$ 32,564,646	1,872,571	7,910,584	1,193,215	43,541,016
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,451,135	—	—	—	1,451,135
Accrued liabilities	141,518	—	—	—	141,518
Due to other funds	2,856,193	232,518	408,774	—	3,497,485
Deferred revenue	374,303	—	—	—	374,303
Total liabilities	4,823,149	232,518	408,774	—	5,464,441
Fund balances:					
Reserved:					
Debt service	—	1,640,053	—	—	1,640,053
Encumbrances	58,075	—	—	—	58,075
Contingencies	6,382,120	—	—	—	6,382,120
Industrial development	201,303	—	—	—	201,303
Revolving loans to general fund	—	—	—	1,193,215	1,193,215
Unreserved:					
Designated for subsequent year's expenditure	332,860	—	7,501,810	—	7,834,670
Undesignated	20,767,139	—	—	—	20,767,139
Total fund balances	27,741,497	1,640,053	7,501,810	1,193,215	38,076,575
Total liabilities and fund balances	\$ 32,564,646	1,872,571	7,910,584	1,193,215	43,541,016

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances – By Fund Type

Nonmajor Governmental Funds

Governmental Activities

Year ended December 31, 2004

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Permanent Fund (Jail Site Fund)	Total
Revenues:					
Taxes	\$ 17,607,374	2,061,484	—	—	19,668,858
Intergovernmental	1,831,077	—	—	—	1,831,077
Charges for services	63,319	—	—	—	63,319
Licenses and permits	149,127	—	—	—	149,127
Gaming	2,374,176	—	—	—	2,374,176
Use of money and property					
Rental, camping fees, and other	161,134	—	—	—	161,134
Investment earnings	361,072	907	141,003	17,446	520,428
Net decrease in the fair value of investments	(66,109)	(2,589)	(64,242)	(217)	(133,157)
Other revenues	148,256	—	—	—	148,256
Total revenues	22,629,426	2,059,802	76,761	17,229	24,783,218
Expenditures:					
Current:					
General government	177,671	—	—	—	177,671
Criminal justice	211,514	—	—	—	211,514
Health and welfare	3,304,513	—	—	—	3,304,513
Drainage	518,514	—	—	—	518,514
Building facilities	2,464,757	—	—	—	2,464,757
Highways and streets	4,314,101	—	—	—	4,314,101
Sanitation	2,294,201	—	—	—	2,294,201
Economic development	1,749,937	—	—	—	1,749,937
Culture and recreation	796,947	—	7,424	—	804,371
Debt service:					
Principal retirement	380,000	1,555,000	—	—	1,935,000
Fees and charges	675	99,352	—	—	100,027
Interest and fiscal charges	57,380	543,203	—	—	600,583
Total expenditures	16,270,210	2,197,555	7,424	—	18,475,189
Excess (deficiency) of revenues over (under) expenditures	6,359,216	(137,753)	69,337	17,229	6,308,029
Other financing sources (uses):					
Refunding certificates issued	—	6,365,000	—	—	6,365,000
Payment to refunding escrow agent	—	(6,358,931)	—	—	(6,358,931)
Transfers in	1,918,843	—	—	—	1,918,843
Transfers out	(5,269,349)	—	(508,774)	—	(5,778,123)
Total other financing sources (uses)	(3,350,506)	6,069	(508,774)	—	(3,853,211)
Net change in fund balances	3,008,710	(131,684)	(439,437)	17,229	2,454,818
Fund balances, beginning of year	24,732,787	1,771,737	7,941,247	1,175,986	35,621,757
Fund balances, end of year	\$ 27,741,497	1,640,053	7,501,810	1,193,215	38,076,575

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2004

Assets	Cemeteries Maintenance	Solid Waste Disposal	Road and Bridge	Parks and Recreation	Louisiana Community Development Block Grant	Drainage	Health Tax	Law Officers Witness	Biomedical	Section 8 Housing	Riverboat	Reserve Trust	Economic Development	Criminal Justice	Total
	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
Cash and cash equivalents	\$ 24,994	278,066	93,235	15,028	40	101,713	100	53,869	—	—	—	317,031	51,767	—	939,843
Investments	431,264	4,172,710	1,397,033	225,816	—	1,527,896	—	169,416	—	—	—	4,753,225	152,614	—	12,831,974
Receivables:															
Ad valorem taxes	2,651,377	171,542	4,346,331	823,171	—	1,129,469	1,971,784	—	1,627,199	—	—	—	—	1,569,752	14,290,625
Paving assessments	—	—	19,327	—	—	—	—	—	—	—	—	—	—	—	19,327
Accrued interest	2,553	24,611	8,241	1,322	—	9,003	—	986	—	—	—	28,059	895	—	75,670
Other	65	162,487	13,937	790	—	—	295	—	—	—	190,229	—	—	—	367,803
Due from other funds	180,494	1,159,636	351,390	102,207	—	405,183	—	—	—	—	—	1,281,805	—	—	3,480,715
Due from other governmental agencies	81,221	4,975	165,691	24,544	—	32,898	82,766	1,503	48,491	48,100	—	—	21,806	46,694	558,689
Total assets	\$ 3,375,968	5,974,027	6,395,185	1,192,878	40	3,506,162	2,054,945	225,774	1,675,690	48,100	190,229	6,382,120	227,082	1,616,446	32,564,646
Liabilities and Fund Balances															
Liabilities:															
Accounts payable	\$ 61,860	1,317,927	—	4,378	—	—	16,200	—	—	6,715	33,796	—	—	8,259	1,451,135
Accrued liabilities	18,829	16,500	77,617	9,027	—	—	19,545	—	—	—	—	—	—	—	141,518
Due to other funds	—	—	—	—	—	—	321,095	—	1,077,474	15,436	130,429	—	—	1,311,759	2,856,193
Due to other governmental agencies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Deferred revenues	71,242	4,481	131,454	22,743	—	33,985	61,586	—	46,812	—	—	—	—	—	374,303
Total liabilities	153,931	1,338,908	209,071	36,148	—	33,985	418,426	—	1,124,286	22,151	166,225	—	—	1,320,018	4,823,149
Fund balances:															
Reserved:															
Encumbrances	31,384	1,011	22,235	—	—	—	3,445	—	—	—	—	—	—	—	58,075
Contingencies	—	—	—	—	—	—	—	—	—	—	—	6,382,120	—	—	6,382,120
Industrial development	—	—	—	—	—	—	—	—	—	—	—	—	201,303	—	201,303
Unreserved:															
Designated for subsequent year's expenditures	—	—	—	—	—	—	—	13,075	294,006	—	—	—	25,779	—	332,860
Undesignated	3,190,653	4,634,108	6,163,879	1,156,730	40	3,172,177	1,633,074	212,699	257,398	25,949	24,004	—	—	296,028	20,767,139
Total fund balances	3,222,037	4,635,119	6,186,114	1,156,730	40	3,172,177	1,636,519	225,774	551,404	25,949	24,004	6,382,120	227,082	296,028	27,741,497
Total liabilities and fund balances	\$ 3,375,968	5,974,027	6,395,185	1,192,878	40	3,506,162	2,054,945	225,774	1,675,690	48,100	190,229	6,382,120	227,082	1,616,446	32,564,646

See accompanying independent auditors' report.

December 31, 2004

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2004

Assets	Criminal Justice Facilities Fund	Library Bond Fund	Total
Cash and cash equivalents	\$ 136,376	327,955	464,331
Investments	2,048,718	3,856,139	5,904,857
Accrued interest	12,070	22,730	34,800
Due from other funds	544,710	961,886	1,506,596
Total assets	\$ 2,741,874	5,168,710	7,910,584
Liabilities and Fund Balances			
Liabilities:			
Due to other funds	—	408,774	408,774
Total liabilities	—	408,774	408,774
Fund balances:			
Total fund balances –			
Unreserved – designated for capital projects	\$ 2,741,874	4,759,936	7,501,810
Total fund balances	2,741,874	4,759,936	7,501,810
Total liabilities and fund balances	\$ 2,741,874	5,168,710	7,910,584

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Capital Projects Funds

Year ended December 31, 2004

	Criminal Justice Facilities Fund	Library Bond Fund	Total
Revenues:			
Interest	\$ 49,146	91,857	141,003
Net decrease in the fair value of investments	(13,426)	(50,816)	(64,242)
Total revenues	<u>35,720</u>	<u>41,041</u>	<u>76,761</u>
Expenditures:			
Culture and recreation	—	7,424	7,424
Total expenditures	<u>—</u>	<u>7,424</u>	<u>7,424</u>
Excess of revenues over expenditures	<u>35,720</u>	<u>33,617</u>	<u>69,337</u>
Other financing sources (uses):			
Transfers out	(100,000)	(408,774)	(508,774)
Total other financing sources (uses)	<u>(100,000)</u>	<u>(408,774)</u>	<u>(508,774)</u>
Net change in fund balances	(64,280)	(375,157)	(439,437)
Fund balances, beginning of year	<u>2,806,154</u>	<u>5,135,093</u>	<u>7,941,247</u>
Fund balances, end of year	<u>\$ 2,741,874</u>	<u>4,759,936</u>	<u>7,501,810</u>

See accompanying independent auditors' report.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of services provided by one fund of the Commission to other funds on a cost-reimbursement basis. The Commission has three internal service funds:

Group Insurance Fund – The Group Insurance Fund accounts for the cost of providing group medical and life insurance coverage for Commission employees. The fund is used to account for contributions from Commission funds and withholdings from employees' payroll used to pay the costs of providing group coverage for Commission employees.

General Insurance Fund – The General Insurance Fund accounts for the costs of maintaining casualty and workmen's compensation insurance coverage.

Fleet Services Fund – The Fleet Services Fund accounts for the repairs and maintenance activities provided by the Commission's central garage location for the various departments of the Commission.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Net Assets

Internal Service Funds

December 31, 2004

Assets	Group Insurance Fund	General Insurance Fund	Fleet Service Fund	Total
Cash and cash equivalents	\$ 751,925	241,500	—	993,425
Investments	2,105,022	639,597	—	2,744,619
Receivables	85,564	—	6,360	91,924
Accrued interest receivable	12,428	3,784	—	16,212
Due from other funds – Fleet Services	47,614	24,528	—	72,142
Inventory	—	—	37,247	37,247
Total current assets	<u>3,002,553</u>	<u>909,409</u>	<u>43,607</u>	<u>3,955,569</u>
Fixed assets:				
Land	—	—	163,475	163,475
Sewer line	—	—	107,541	107,541
Buildings	—	—	134,428	134,428
Vehicles	—	—	14,579	14,579
Equipment	—	—	23,322	23,322
	—	—	443,345	443,345
Less accumulated depreciation	—	—	(115,377)	(115,377)
Fixed assets, net	—	—	327,968	327,968
Total assets	<u>\$ 3,002,553</u>	<u>909,409</u>	<u>371,575</u>	<u>4,283,537</u>
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ —	4,167	39,452	43,619
Accrued liabilities	—	—	5,839	5,839
Accrued insurance claims payable	270,433	23,504	—	293,937
Due to other funds:				
Group insurance	—	—	47,614	47,614
General insurance	—	—	24,528	24,528
Total liabilities	<u>270,433</u>	<u>27,671</u>	<u>117,433</u>	<u>415,537</u>
Net assets:				
Invested in capital assets	—	—	327,968	327,968
Unrestricted	2,732,120	881,738	(73,826)	3,540,032
Total net assets	<u>2,732,120</u>	<u>881,738</u>	<u>254,142</u>	<u>3,868,000</u>
Total liabilities and net assets	<u>\$ 3,002,553</u>	<u>909,409</u>	<u>371,575</u>	<u>4,283,537</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Internal Service Funds

Year ended December 31, 2004

	<u>Group Insurance Fund</u>	<u>General Insurance Fund</u>	<u>Fleet Service Fund</u>	<u>Total</u>
Operating revenues:				
Employer's contributions	\$ 2,002,894	—	—	2,002,894
Employees' contributions	688,979	—	—	688,979
Charges for sales and service	—	1,053,286	1,339,673	2,392,959
Total revenues	2,691,873	1,053,286	1,339,673	5,084,832
Operating expenses:				
Claims	1,724,455	227,367	—	1,951,822
Cost of sales and service	—	—	1,223,089	1,223,089
Insurance premiums	298,323	534,826	25,545	858,694
General and administrative	222,384	103,803	—	326,187
Depreciation	—	—	10,298	10,298
Other	—	—	34,436	34,436
Total expenses	2,245,162	865,996	1,293,368	4,404,526
Operating income	446,711	187,290	46,305	680,306
Nonoperating revenues:				
Interest income	46,933	11,203	—	58,136
Net decrease in the fair value of investments	(12,643)	(2,254)	—	(14,897)
Interest expense	—	—	(2,061)	(2,061)
Total nonoperating revenues	34,290	8,949	(2,061)	41,178
Transfer from Riverboat Fund	—	—	44,171	44,171
Change in net assets	481,001	196,239	88,415	765,655
Net assets, beginning of year	2,251,119	685,499	165,727	3,102,345
Net assets, end of year	\$ 2,732,120	881,738	254,142	3,868,000

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2004

	Group Insurance Fund	General Insurance Fund	Fleet Service Fund	Total
Cash flows from operating activities:				
Contributions	\$ 2,754,328	—	—	2,754,328
Receipts from operations	—	1,106,175	1,368,668	2,474,843
Payments to suppliers	(520,707)	(634,814)	(1,410,778)	(2,566,299)
Claims paid	(1,697,292)	(235,447)	—	(1,932,739)
Net cash provided by (used in) operating activities	536,329	235,914	(42,110)	730,133
Cash flows from noncapital financing activities:				
Interest paid	—	—	(2,061)	(2,061)
Transfer in	—	—	44,171	44,171
Net cash provided by noncapital financing activities	—	—	42,110	42,110
Cash flows from investing activities:				
Purchases of investments	(307,989)	(177,892)	—	(485,881)
Interest received	46,164	10,405	—	56,569
Net cash used in investing activities	(261,825)	(167,487)	—	(429,312)
Net increase in cash and cash equivalents	274,504	68,427	—	342,931
Cash and cash equivalents, beginning of year	477,421	173,073	—	650,494
Cash and cash equivalents, end of year	\$ 751,925	241,500	—	993,425
Cash flows from operating activities:				
Operating income (loss)	\$ 446,711	187,290	46,305	680,306
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	—	—	10,298	10,298
(Increase) decrease in assets:				
Accounts receivable – other	(40,211)	—	28,995	(11,216)
Due from other funds	102,666	52,889	—	155,555
Inventory	—	—	15,657	15,657
Increase (decrease) in liabilities:				
Accrued insurance claims payable	27,163	(8,080)	—	19,083
Accounts payable	—	3,815	21,372	25,187
Accrued liabilities	—	—	(9,182)	(9,182)
Due to other funds	—	—	(155,555)	(155,555)
Net cash provided by (used in) operating activities	\$ 536,329	235,914	(42,110)	730,133
Noncash items:				
Net decrease in the fair value of investments	\$ (12,643)	(2,254)	—	(14,897)

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Combining Statement of Assets and Liabilities

Agency Funds
 December 31, 2004

Assets	Criminal Court Agency Fund	Jury Agency Fund	Total
Cash and cash equivalents	\$ 4,554	—	4,554
Investments	68,081	—	68,081
Receivables	2,664	—	2,664
Due from other government agencies	96,996	8,629	105,625
Total assets	<u>\$ 172,295</u>	<u>8,629</u>	<u>180,924</u>
 Liabilities			
Accounts payable and accrued liabilities	\$ 49,187	—	49,187
Due to other governmental agencies	123,108	8,629	131,737
Total liabilities	<u>\$ 172,295</u>	<u>8,629</u>	<u>180,924</u>

See accompanying independent auditors' report.

**INDIVIDUAL FUND
SCHEDULES**

CADDO PARISH COMMISSION
Shreveport, Louisiana
Combining Statement of Changes in Assets and Liabilities
Agency Funds
December 31, 2004

Additions	Criminal Court Agency Fund	Jury Agency Fund	Total
Court fines	\$ 603,114	—	603,114
Bond and drug forfeitures	218,041	—	218,041
Criminal case charges	—	127,011	127,011
Court costs and fees	62,283	—	62,283
Drug court collections	34,659	—	34,659
Reimbursements	20,000	—	20,000
Investment earnings	1,472	—	1,472
Transfer in from criminal court fund	—	80,568	80,568
Total additions	\$ 939,569	207,579	1,147,148
Deductions			
Salaries and benefits	\$ 297,451	—	297,451
Supplies	31,453	—	31,453
Professional services	70,872	—	70,872
Court fees	326,451	207,579	534,030
Transfer out to jury fund	80,568	—	80,568
Miscellaneous	132,774	—	132,774
Total deductions	\$ 939,569	207,579	1,147,148

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Special Revenue Fund
Courthouse Maintenance Fund
Year ended December 31, 2004
(unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Ad valorem taxes	\$ 2,610,660	2,845,352	234,692
Intergovernmental – state revenue-sharing	125,000	120,377	(4,623)
Use of money and property:			
Net decrease in fair value of investments	—	(166)	(166)
Interest	12,500	25,848	13,348
Other revenues	2,500	3,016	516
Total revenues	<u>2,750,660</u>	<u>2,994,427</u>	<u>243,767</u>
Expenditures:			
Building Facilities			
Courthouse			
Salaries, fringe benefits, and payroll taxes	1,466,575	1,331,810	134,765
Supplies	9,500	6,756	2,744
Utilities	502,000	439,800	62,200
Repairs and maintenance	201,000	162,888	38,112
Maintenance contract	55,000	56,824	(1,824)
Insurance	186,190	186,190	—
Miscellaneous	143,987	93,419	50,568
Capital outlay	14,420	18,229	(3,809)
Total courthouse expenditures	<u>2,578,672</u>	<u>2,295,916</u>	<u>282,756</u>
Francis Bickham Building and Government Plaza			
Utilities	103,630	113,043	(9,413)
Repairs and maintenance	38,000	24,588	13,412
Miscellaneous	36,940	31,210	5,730
Total Bickham Building and Government Plaza expenditures	<u>178,570</u>	<u>168,841</u>	<u>9,729</u>
Total expenditures	<u>2,757,242</u>	<u>2,464,757</u>	<u>292,485</u>
Net change in fund balance	<u>(6,582)</u>	<u>529,670</u>	<u>536,252</u>
Fund balance, beginning of year	<u>2,692,367</u>	<u>2,692,367</u>	<u>—</u>
Fund balance, end of year	<u><u>\$ 2,685,785</u></u>	<u><u>3,222,037</u></u>	<u><u>536,252</u></u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Solid Waste Disposal Fund

Year ended December 31, 2004
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Ad valorem taxes	\$ 171,140	171,140	185,417	14,277
Sales tax	1,600,000	1,600,000	2,263,296	663,296
	<u>1,771,140</u>	<u>1,771,140</u>	<u>2,448,713</u>	<u>677,573</u>
Intergovernmental – state revenue-sharing	9,500	9,500	7,620	(1,880)
Use of money and property:				
Net decrease in fair value of investments	—	—	(22,703)	(22,703)
Interest	49,500	49,500	103,715	54,215
Other revenues	<u>24,000</u>	<u>24,000</u>	<u>66,379</u>	<u>42,379</u>
Total revenues	<u>1,854,140</u>	<u>1,854,140</u>	<u>2,603,724</u>	<u>749,584</u>
Expenditures – sanitation:				
Salaries, fringe benefits, and payroll taxes	853,689	853,689	858,943	(5,254)
Utilities	23,500	23,500	27,953	(4,453)
Repairs and maintenance	99,400	99,400	97,699	1,701
Insurance	71,647	71,647	71,647	—
Contracted services – waste hauling	155,000	155,000	156,500	(1,500)
Waste disposal fees	370,000	370,000	362,477	7,523
Miscellaneous	226,057	726,057	710,477	15,580
Capital outlay	<u>9,208</u>	<u>9,208</u>	<u>8,505</u>	<u>703</u>
Total expenditures	<u>1,808,501</u>	<u>2,308,501</u>	<u>2,294,201</u>	<u>14,300</u>
Excess of revenues over expenditures	45,639	(454,361)	309,523	763,884
Other financing sources (uses):				
Transfers out	(41,000)	(41,000)	(41,000)	—
Transfers in	<u>—</u>	<u>1,531</u>	<u>1,531</u>	<u>—</u>
	<u>(41,000)</u>	<u>(39,469)</u>	<u>(39,469)</u>	<u>—</u>
Net change in fund balance	4,639	(493,830)	270,054	763,884
Fund balance, beginning of year	<u>4,365,065</u>	<u>4,365,065</u>	<u>4,365,065</u>	<u>—</u>
Fund balance, end of year	<u>\$ 4,369,704</u>	<u>3,871,235</u>	<u>4,635,119</u>	<u>763,884</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Road and Bridge Fund

Year ended December 31, 2004
(unaudited)

	Original and final budget	Actual	Variance with final budget positive (negative)
Revenues:			
Ad valorem taxes	\$ 4,273,320	4,656,825	383,505
Intergovernmental:			
State revenue-sharing	197,000	193,328	(3,672)
Other state funds	60,000	147,294	87,294
Charges for services	50,000	40,436	(9,564)
Licenses and permits	16,000	40,658	24,658
Use of money and property:			
Net decrease in fair value of investments	—	(4,659)	(4,659)
Interest	44,500	57,659	13,159
Other revenues	10,000	28,938	18,938
Total revenues	4,650,820	5,160,479	509,659
Expenditures:			
Highways and Streets			
Administrative			
Salaries, fringe benefits, and payroll taxes	638,886	626,633	12,253
Supplies	15,000	19,267	(4,267)
Utilities	7,000	10,562	(3,562)
Insurance	156,932	156,932	—
Interest	2,800	—	2,800
Miscellaneous	230,199	205,970	24,229
Total administrative expenditures	1,050,817	1,019,364	31,453
Road Maintenance			
Salaries, fringe benefits, and payroll taxes	2,143,075	2,065,758	77,317
Supplies	12,000	15,152	(3,152)
Utilities	39,100	44,731	(5,631)
Repairs	556,000	600,168	(44,168)
Materials	507,000	389,432	117,568
Right-of-way maintenance	100,000	95,040	4,960
Miscellaneous	90,500	84,456	6,044
Total road maintenance expenditures	3,447,675	3,294,737	152,938
Total expenditures	4,498,492	4,314,101	184,391
Net change in fund balance	152,328	846,378	694,050
Fund balance, beginning of year	5,339,736	5,339,736	—
Fund balance, end of year	\$ 5,492,064	6,186,114	694,050

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Special Revenue Fund
Parks and Recreation Fund
Year ended December 31, 2004
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Ad valorem taxes	\$ 805,410	805,410	883,260	77,850
Intergovernmental – state revenue-sharing	37,500	37,500	37,373	(127)
Use of money and property:				
Net decrease in fair value of investments	—	—	(715)	(715)
Rental, camping fees, and other	13,750	13,750	14,334	584
Interest	5,500	5,500	10,988	5,488
Other revenues	8,000	18,000	21,486	3,486
Total revenues	<u>870,160</u>	<u>880,160</u>	<u>966,726</u>	<u>86,566</u>
Expenditures:				
Culture and recreation:				
Salaries, fringe benefits, and payroll taxes	626,916	626,916	598,176	28,740
Supplies	11,000	11,000	5,503	5,497
Utilities	31,600	31,600	26,894	4,706
Repairs and maintenance	70,000	70,000	50,303	19,697
Insurance	44,969	44,969	44,969	—
Miscellaneous	83,036	83,036	71,102	11,934
Capital outlay	1,250	1,250	—	1,250
Total expenditures	<u>868,771</u>	<u>868,771</u>	<u>796,947</u>	<u>71,824</u>
Excess of revenues over expenditures	<u>1,389</u>	<u>11,389</u>	<u>169,779</u>	<u>158,390</u>
Other financing sources (uses):				
Transfers out	(50,000)	(60,000)	(60,000)	—
Transfers in	—	1,815	1,815	—
	<u>(50,000)</u>	<u>(58,185)</u>	<u>(58,185)</u>	<u>—</u>
Net change in fund balance	<u>(48,611)</u>	<u>(46,796)</u>	<u>111,594</u>	<u>158,390</u>
Fund balance, beginning of year	<u>1,045,136</u>	<u>1,045,136</u>	<u>1,045,136</u>	<u>—</u>
Fund balance, end of year	<u>\$ 996,525</u>	<u>998,340</u>	<u>1,156,730</u>	<u>158,390</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Drainage Fund

Year ended December 31, 2004
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Ad valorem taxes	\$ 1,111,490	1,111,490	1,210,568	99,078
Intergovernmental –				
State revenue-sharing	50,500	50,500	50,237	(263)
Use of money and property:				
Net decrease in fair value of investments	—	—	(7,442)	(7,442)
Interest	23,200	23,200	40,361	17,161
Other revenues	500	500	9,083	8,583
Total revenues	<u>1,185,690</u>	<u>1,185,690</u>	<u>1,302,807</u>	<u>117,117</u>
Expenditures – general government – other:				
Salaries, fringe benefits, and payroll taxes	31,840	31,840	36,505	(4,665)
Insurance	47,442	47,442	47,442	—
Right-of-way maintenance	345,000	345,000	344,960	40
Miscellaneous	149,737	149,737	89,607	60,130
Capital outlay	10,000	10,000	—	10,000
Total expenditures	<u>584,019</u>	<u>584,019</u>	<u>518,514</u>	<u>65,505</u>
Excess of revenues over expenditures	<u>601,671</u>	<u>601,671</u>	<u>784,293</u>	<u>182,622</u>
Other financing sources (uses):				
Transfers out	(545,000)	(545,000)	(545,000)	—
Transfers in	—	260,792	260,792	—
	<u>(545,000)</u>	<u>(284,208)</u>	<u>(284,208)</u>	<u>—</u>
Net change in fund balance	<u>56,671</u>	<u>317,463</u>	<u>500,085</u>	<u>182,622</u>
Fund balance, beginning of year	<u>2,672,092</u>	<u>2,672,092</u>	<u>2,672,092</u>	<u>—</u>
Fund balance, end of year	<u>\$ 2,728,763</u>	<u>2,989,555</u>	<u>3,172,177</u>	<u>182,622</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Health Tax Fund

Year ended December 31, 2004
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Ad valorem taxes	\$ 1,943,540	1,943,540	2,112,082	168,542
Intergovernmental:				
State revenue-sharing	94,000	94,000	89,523	(4,477)
Other state funds	—	138,000	137,673	(327)
Vaccination, impounding, boarding, licensing, permit, and adoption fees	92,400	92,400	108,469	16,069
Use of money and property:				
Net decrease in fair value of investments	—	—	(970)	(970)
Regional lab rental	145,000	145,000	145,000	—
Interest	8,750	8,750	7,749	(1,001)
	<u>153,750</u>	<u>153,750</u>	<u>151,779</u>	<u>(1,971)</u>
Other revenues	<u>12,000</u>	<u>12,000</u>	<u>17,205</u>	<u>5,205</u>
Total revenues	<u>2,295,690</u>	<u>2,433,690</u>	<u>2,616,731</u>	<u>183,041</u>
Expenditures – health and welfare:				
Women's Community Health Center	—	138,000	137,673	327
Regional Lab health unit				
Salaries, fringe benefits, and payroll taxes	40,375	40,375	36,300	4,075
Utilities	79,300	79,300	37,587	41,713
Repairs	12,000	12,000	17,386	(5,386)
Miscellaneous	9,141	9,141	8,170	971
Insurance	930	930	930	—
Capital outlay	800	800	83	717
Total Regional Lab health unit expenditures	<u>142,546</u>	<u>142,546</u>	<u>100,456</u>	<u>42,090</u>
Animal services and mosquito control:				
Salaries, fringe benefits, and payroll taxes	1,199,397	1,199,397	1,151,844	47,553
Insurance	58,496	58,496	58,496	—
Interest	700	700	376	324
Supplies	22,570	22,570	30,359	(7,789)
Pest control	80,000	80,000	83,386	(3,386)
Utilities	61,500	61,500	59,731	1,769
Animal care	91,000	91,000	78,961	12,039
Repairs	102,200	102,200	114,160	(11,960)
Miscellaneous	161,109	161,109	153,126	7,983
Capital outlay	<u>1,500</u>	<u>1,500</u>	<u>4,244</u>	<u>(2,744)</u>
Total animal and mosquito control expenditures	<u>1,778,472</u>	<u>1,778,472</u>	<u>1,734,683</u>	<u>43,789</u>

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Special Revenue Fund
Health Tax Fund
Year ended December 31, 2004
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Highland health unit:				
Salaries, fringe benefits, and payroll taxes	\$ 262,126	262,126	225,916	36,210
Repairs	35,100	35,100	36,470	(1,370)
Utilities	99,800	99,800	103,361	(3,561)
Insurance	43,075	43,075	43,075	—
Miscellaneous	54,085	54,085	54,810	(725)
Capital outlay	500	500	—	500
Total Highland health unit expenditures	<u>494,686</u>	<u>494,686</u>	<u>463,632</u>	<u>31,054</u>
Vivian health unit:				
Salaries, fringe benefits, and payroll taxes	29,682	29,682	16,778	12,904
Insurance	487	487	487	—
Repairs	3,500	3,500	2,257	1,243
Utilities	11,150	11,150	10,356	794
Miscellaneous	2,748	2,748	2,566	182
Capital outlay	200	200	—	200
Total Vivian health unit expenditures	<u>47,767</u>	<u>47,767</u>	<u>32,444</u>	<u>15,323</u>
David Raines health center – repairs	<u>28,560</u>	<u>28,560</u>	<u>28,560</u>	<u>—</u>
Total expenditures	<u>2,492,031</u>	<u>2,630,031</u>	<u>2,497,448</u>	<u>132,583</u>
Net change in fund balance	(196,341)	(196,341)	119,283	315,624
Fund balance, beginning of year	<u>1,517,236</u>	<u>1,517,236</u>	<u>1,517,236</u>	<u>—</u>
Fund balance, end of year	<u>\$ 1,320,895</u>	<u>1,320,895</u>	<u>1,636,519</u>	<u>315,624</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Special Revenue Fund
Law Officers Witness Fund
Year ended December 31, 2004
(unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Criminal case charge	\$ 23,000	22,883	(117)
Use of money and property:			
Net decrease in fair value of investments	—	(1,131)	(1,131)
Interest	<u>5,000</u>	<u>4,051</u>	<u>(949)</u>
Total revenues	<u>28,000</u>	<u>25,803</u>	<u>(2,197)</u>
Expenditures:			
Criminal Justice:			
Payments to law officers	12,000	16,629	(4,629)
Miscellaneous	<u>50,336</u>	<u>20,623</u>	<u>29,713</u>
Total expenditures	<u>62,336</u>	<u>37,252</u>	<u>25,084</u>
Net change in fund balance	(34,336)	(11,449)	22,887
Fund balance, beginning of year	<u>237,223</u>	<u>237,223</u>	<u>—</u>
Fund balance, end of year	<u>\$ 202,887</u>	<u>225,774</u>	<u>22,887</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Special Revenue Fund
Biomedical Fund
Year ended December 31, 2004
(unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Ad valorem taxes	\$ 1,594,500	1,743,242	148,742
Intergovernmental revenues – state revenue-sharing	73,200	73,878	678
Use of money and property: Interest	<u>1,000</u>	<u>—</u>	<u>(1,000)</u>
Total revenues	<u>1,668,700</u>	<u>1,817,120</u>	<u>148,420</u>
Expenditures – economic development:			
Salaries, fringe benefits, and payroll taxes	45,690	52,592	(6,902)
Interest	7,200	7,842	(642)
Reimburse Biomedical Research Foundation operating expenses	1,515,000	1,514,998	2
Miscellaneous	<u>11,345</u>	<u>11,134</u>	<u>211</u>
Total expenditures	<u>1,579,235</u>	<u>1,586,566</u>	<u>(7,331)</u>
Net change in fund balance	89,465	230,554	141,089
Fund balance, beginning of year	<u>320,850</u>	<u>320,850</u>	<u>—</u>
Fund balance, end of year	<u>\$ 410,315</u>	<u>551,404</u>	<u>141,089</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Riverboat Fund

Year ended December 31, 2004
(unaudited)

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues:				
Gaming	\$ 2,435,000	2,435,000	2,250,041	(184,959)
Use of money and property:				
Net decrease in fair value of investments	—	—	(261)	(261)
Interest	2,500	2,500	536	(1,964)
Other revenues	—	—	549	549
Total revenues	<u>2,437,500</u>	<u>2,437,500</u>	<u>2,250,865</u>	<u>(186,635)</u>
Expenditures:				
General government:				
Administration	29,736	29,736	28,869	867
Other	141,500	141,500	141,500	—
Debt service – principal, interest and fiscal charges	<u>437,380</u>	<u>437,380</u>	<u>438,055</u>	<u>(675)</u>
Total expenditures	<u>608,616</u>	<u>608,616</u>	<u>608,424</u>	<u>192</u>
Excess of revenues over expenditures	1,828,884	1,828,884	1,642,441	(186,443)
Other financing sources (uses):				
Transfer in	—	4,705	4,705	—
Transfer out	<u>(2,028,461)</u>	<u>(1,868,461)</u>	<u>(1,868,461)</u>	<u>—</u>
Total other financing sources (uses)	<u>(2,028,461)</u>	<u>(1,863,756)</u>	<u>(1,863,756)</u>	<u>—</u>
Net change in fund balance	(199,577)	(34,872)	(221,315)	(186,443)
Fund balance, beginning of year	<u>245,319</u>	<u>245,319</u>	<u>245,319</u>	<u>—</u>
Fund balance, end of year	<u>\$ 45,742</u>	<u>210,447</u>	<u>24,004</u>	<u>(186,443)</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Reserve Trust Fund

Year ended December 31, 2004
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Net decrease in the fair value of investments	\$ —	—	(26,859)	(26,859)
Interest income	98,500	98,500	106,335	7,835
Total revenues	<u>98,500</u>	<u>98,500</u>	<u>79,476</u>	<u>(19,024)</u>
Total expenditures – general government	<u>7,302</u>	<u>7,302</u>	<u>7,302</u>	<u>—</u>
Excess of revenues over expenditures	91,198	91,198	72,174	(19,024)
Other financing sources – transfers in	<u>100,000</u>	<u>450,000</u>	<u>450,000</u>	<u>—</u>
Net change in fund balance	191,198	541,198	522,174	(19,024)
Fund balance, beginning of year	<u>5,859,946</u>	<u>5,859,946</u>	<u>5,859,946</u>	<u>—</u>
Fund balance, end of year	<u>\$ 6,051,144</u>	<u>6,401,144</u>	<u>6,382,120</u>	<u>(19,024)</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana

Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Economic Development Fund

Year ended December 31, 2004
(unaudited)

	<u>Original budget</u>	<u>Final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:				
Gaming	\$ 93,000	93,000	124,135	31,135
Intergovernmental:				
State economic development grant	—	100,445	94,888	(5,557)
Use of money and property				
Parking rental	1,800	1,800	1,800	—
Net decrease in the fair value of investments	—	—	(1,203)	(1,203)
Interest	4,000	4,000	3,830	(170)
Other revenues	—	—	1,600	1,600
Total revenues	<u>98,800</u>	<u>199,245</u>	<u>225,050</u>	<u>25,805</u>
Expenditures:				
Economic development	156,000	156,000	156,000	—
Miscellaneous	7,371	7,371	7,371	—
Total expenditures	<u>163,371</u>	<u>163,371</u>	<u>163,371</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	(64,571)	35,874	61,679	25,805
Other financing sources (uses) – transfers out	—	(100,445)	(94,888)	5,557
Net change in fund balance	<u>(64,571)</u>	<u>(64,571)</u>	<u>(33,209)</u>	<u>31,362</u>
Fund balance, beginning of year	260,291	260,291	260,291	—
Fund balance, end of year	<u>\$ 195,720</u>	<u>195,720</u>	<u>227,082</u>	<u>31,362</u>

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual

Special Revenue Fund
Criminal Justice Fund

Year ended December 31, 2004
(unaudited)

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues:				
Ad valorem taxes	\$ 1,526,590	1,526,590	1,707,332	180,742
Intergovernmental:				
State revenue-sharing	55,000	55,000	71,270	16,270
Total revenues	1,581,590	1,581,590	1,778,602	197,012
Expenditures:				
Criminal justice – other	197,431	197,431	174,262	23,169
Total expenditures	197,431	197,431	174,262	23,169
Excess of revenues over expenditures	1,384,159	1,384,159	1,604,340	173,843
Other financing sources (uses):				
Transfer in	1,710,000	1,200,000	1,200,000	—
Transfer out	(3,085,000)	(2,660,000)	(2,660,000)	—
	(1,375,000)	(1,460,000)	(1,460,000)	—
Net change in fund balance	9,159	(75,841)	144,340	220,181
Fund balance, beginning of year	152,088	152,088	152,088	—
Fund balance, end of year	\$ 161,247	76,247	296,428	220,181

See accompanying independent auditors' report.

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
Debt Service Fund
Year ended December 31, 2004
(unaudited)

	<u>Original and final budget</u>	<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
Revenues:			
Ad valorem taxes	\$ 1,664,930	2,061,484	396,554
Use of money and property:			
Net decrease in fair value of investments	—	(2,589)	(2,589)
Interest	3,500	907	(2,593)
Total revenues	<u>1,668,430</u>	<u>2,059,802</u>	<u>391,372</u>
Expenditures - Debt Service:			
Principal retirement	1,555,000	1,555,000	—
Interest	543,203	543,203	—
Fees and charges	49,215	61,676	(12,461)
Administration	35,142	35,141	1
Miscellaneous	1,025	2,535	(1,510)
Total expenditures	<u>2,183,585</u>	<u>2,197,555</u>	<u>(13,970)</u>
Excess of revenues over expenditures	(515,155)	(137,753)	377,402
Other financing sources (uses):			
Refunding certificates issued	—	6,365,000	6,365,000
Payment to refunding escrow agent	—	(6,358,931)	(6,358,931)
Total other financing sources (uses)	<u>—</u>	<u>6,069</u>	<u>6,069</u>
Net change in fund balance	(515,155)	(131,684)	383,471
Fund balance, beginning of year	<u>1,771,737</u>	<u>1,771,737</u>	<u>—</u>
Fund balance, end of year	<u>\$ 1,256,582</u>	<u>1,640,053</u>	<u>383,471</u>

See accompanying independent auditors' report.

**STATISTICAL
SECTION**

Table 1

CADDO PARISH COMMISSION
Shreveport, Louisiana

General Government Expenditures by Function ⁽¹⁾

Fiscal years ended December 31, 1995 through December 31, 2004

Fiscal Year	General Government	Public Safety	Health and Welfare	Highways and Streets	Building Facilities	Drainage	Sanitation	Culture and Recreation	Economic Development	Debt Service	Total
1995	\$ 1,597,314	8,737,845	2,181,001	3,398,209	2,043,540	147,881	1,090,880	4,143,709	2,018,478	4,279,153	29,638,010
1996	1,723,311	8,427,972	6,759,672 ⁽²⁾	3,652,047	2,152,666	275,485	1,595,877	4,699,651	1,808,774	4,500,479	35,595,934
1997	1,962,661	9,162,765	7,049,181	3,676,163	2,171,730	260,688	1,337,629	6,974,710	1,438,294	4,600,684	38,634,505
1998	2,099,069	10,371,394	8,507,441	3,916,401	2,074,479	240,640	1,482,642	7,590,568	870,332	4,466,144	41,619,110
1999	2,207,012	11,067,507	8,542,400	3,971,420	2,070,667	238,526	1,505,141	11,530,638	1,878,574	4,819,479	47,831,364
2000	2,273,708	11,681,578	9,698,851	4,279,002	2,266,228	948,516	1,546,294	9,073,397	1,206,205	2,582,812	45,556,591
2001	2,503,560	12,747,415	11,714,336	4,176,409	2,419,002	399,529	1,648,856	7,904,719	2,420,192	2,669,450	48,603,468
2002	2,199,060	13,634,558	12,409,352	4,413,076	2,400,976	298,598	1,744,618	14,976,180	1,949,764	4,646,291	58,672,473
2003	2,283,939	13,788,773	11,740,237	4,420,410	2,661,624	424,160	1,807,916	11,888,889	2,088,052	5,018,372	56,122,372
2004	2,231,108	14,144,167	12,883,669	4,314,101	2,647,608	518,514	2,294,201	8,370,316	1,749,937	5,090,718	54,244,339

⁽¹⁾ Includes General Fund, Special Revenue Funds, and Debt Service Fund. Excludes capital outlay expenditures for funds other than capital projects funds.

⁽²⁾ Includes Head Start and Child and Adult Care Food federal grants beginning in 1996.

Unaudited - see accompanying independent auditors' report.

Table 2

CADDO PARISH COMMISSION
Shreveport, Louisiana

General Governmental Revenues by Source ⁽¹⁾

Fiscal years ended December 31, 1995 through December 31, 2004

Fiscal Year	Taxes and Special Assessments	Licenses and Permits	Inter governmental	Fees, Charges and Commissions for Services			Fines and Forfeitures	Gaming	Use of Money and Property	Other Revenues	Total
				Commissions for Services							
1995	\$ 27,519,725	413,097	2,878,756	106,322	203,100	975,662	1,035,901	499,694	33,632,257		
1996	31,018,958	381,828	8,146,618	(2) 101,881	208,267	994,519	833,451	335,060	42,020,582		
1997	33,484,090	397,361	8,124,162	59,167	187,176	2,176,489	985,813	404,527	45,818,785		
1998	33,310,791	396,068	9,693,974	66,291	168,352	2,265,619	1,196,332	371,185	47,468,612		
1999	33,774,492	430,613	9,188,782	68,183	153,939	2,541,134	1,173,268	682,202	48,012,613		
2000	34,010,192	371,594	11,733,174	67,607	170,299	2,566,023	1,122,284	707,323	50,748,496		
2001	35,982,121	442,747	13,139,058	73,045	184,308	2,480,919	1,153,182	503,989	53,959,369		
2002	35,311,244	399,597	13,761,034	62,105	206,490	2,483,415	779,522	614,902	53,618,309		
2003	37,709,881	533,209	14,131,205	100,826	211,202	2,636,180	618,699	397,169	56,338,371		
2004	40,487,781	593,213	13,894,115	63,319	246,497	2,498,311	558,933	545,012	58,887,181		

Notes:

(1) Includes General Fund, Special Revenue Funds, and Debt Service Fund.

(2) Includes Head Start and Child and Adult Care Food federal grants beginning in 1996.

Unaudited -- see accompanying independent auditors' report.

Table 3

CADDO PARISH COMMISSION
Shreveport, Louisiana
Property Tax Levies and Collections
Tax years 1995 through 2004

Fiscal year	Total Tax Levy ⁽¹⁾	Current Tax Collections ⁽²⁾	Percent of Levy Collected	Delinquent Tax Collections ⁽¹⁾	Total Tax Collected	Ratio of Total Collection to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1995	\$ 26,760,402	24,958,411	93.3%	334,166	25,292,577	94.5%	1,467,825	5.5%
1996	30,636,915	27,763,864	90.6%	1,353,145	29,119,009	95.0%	1,517,906	5.0%
1997	32,356,691	29,584,050	91.4%	787,106	30,371,156	93.9%	1,985,535	6.1%
1998	32,516,749	30,358,547	93.4%	1,224,059	31,602,606	97.2%	914,143	2.8%
1999	33,358,712	31,275,081	93.8%	1,058,376	32,333,457	96.9%	1,025,255	3.1%
2000	33,128,458	30,554,081	92.2%	838,886	31,392,967	94.8%	1,735,491	5.2%
2001	34,935,138	32,391,440	92.7%	824,095	33,215,535	95.1%	1,719,603	4.9%
2002	33,571,267	31,487,568	93.8%	878,297	32,365,865	96.4%	1,205,402	3.6%
2003	36,795,524	33,684,858	91.5%	862,747	34,547,605	93.9%	2,247,919	6.1%
2004	38,611,408	35,646,170	92.3%	—	35,646,170	92.3%	2,965,238	7.7%

Notes:

⁽¹⁾ Per original roll adjusted for subsequent Louisiana Tax Commission change orders.

⁽²⁾ Collections through April 30 of subsequent year.

⁽³⁾ See note 3 to financial statements for criteria utilized in determining revenue recognition for property taxes.

Unaudited – see accompanying independent auditors' report.

Table 4

CADDO PARISH COMMISSION
Shreveport, Louisiana

Assessed and Estimated Actual Value of Taxable Property
Fiscal years ended December 31, 1995 through December 31, 2004

Fiscal year	Assessed value	Estimated actual value	Ratio of assessed value to estimated actual value
1995	\$ 949,228,840	8,263,438,800	11.5%
1996	988,098,350	8,577,996,466	11.5%
1997	1,032,835,570	8,935,788,933	11.6%
1998	1,053,910,790	9,119,621,300	11.6%
1999	1,077,027,570	9,318,879,200	11.6%
2000	1,131,885,010	9,814,671,700	11.5%
2001	1,148,501,080	9,981,031,476	11.5%
2002	1,151,282,410	10,086,000,233	11.4%
2003	1,190,764,070	10,470,241,933	11.4%
2004	1,364,082,180	12,175,249,333	11.2%

Note: Assessed values are established by the Caddo Parish Tax Assessor on January 1 of each year at approximately 10-15% of actual market value, depending upon the property classification. A revaluation of all property is required to be completed no less than every four years. The last such revaluation was completed for the tax roll of 2004. The next revaluation will be completed as of January 1, 2009 for the 2008 tax roll.

Unaudited – see accompanying independent auditors' report.

Table 5

CADDO PARISH COMMISSION
Shreveport, Louisiana

Property Tax Rates and Tax Levies – Direct and Overlapping Governments ⁽¹⁾

Fiscal years ended December 31, 1995 through December 31, 2004

Fiscal Year	Tax Rates per \$1,000 Assessed Value					Tax Levies ⁽²⁾				
	Parishwide ⁽³⁾					Parishwide				
	Commission	Schools	Sheriff	City of Shreveport	Total	Commission	Schools	Sheriff	City of Shreveport	Total
1995	\$ 38.22	54.58	14.94	51.34	159.08	24,248,317	37,640,523	10,303,214	39,316,657	111,508,711
1996	41.90	53.31	14.94	51.63	161.78	30,657,689	38,451,509	10,775,944	40,896,395	120,781,537
1997	41.87	85.08	14.94	51.63	193.52	32,379,526	64,868,735	11,390,913	42,905,989	151,545,163
1998	41.17	84.48	14.94	51.63	192.22	32,516,749	65,806,519	11,637,659	44,133,525	154,094,452
1999	41.17	83.98	14.94	51.63	191.72	33,358,712	62,072,869	11,932,230	44,113,404	151,477,215
2000	38.95	85.63	14.94	51.30	190.82	33,128,458	71,757,465	12,519,637	45,926,818	163,332,378
2001	40.16	86.03	14.94	51.30	192.43	34,935,138	73,467,609	12,758,410	48,082,314	169,243,471
2002	40.40	87.27	14.94	51.30	193.91	33,571,267	74,564,826	12,764,965	48,563,087	169,464,145
2003	40.40	87.27	14.94	51.30	193.91	36,795,524	78,038,546	13,359,641	49,501,452	177,695,163
2004	36.58	81.73	13.47	46.64	178.42	38,611,408	84,694,341	13,958,556	51,569,430	188,833,735

Notes:

⁽¹⁾ Includes parishwide overlapping levies and levy of the largest municipality which overlaps approximately 79.6% of the total parish population and approximately 77.7% of the total parish assessment. There are other small municipalities and taxing districts currently levying ad valorem taxes within the parish.

⁽²⁾ Per original tax roll as filed by the Caddo Parish Tax Assessor.

⁽³⁾ Rates for taxpayers within the City of Shreveport and the Town of Vivian.

Unaudited – see accompanying independent auditors' report.

Table 6

CADDO PARISH COMMISSION

Shreveport, Louisiana

Special Assessment Collections

Fiscal years ended December 31, 1995 through December 31, 2004

Fiscal year	Amount of installment assessments due	Total revenue collected	Percentage of revenue to assessments due
1995	\$ 40,859	32,339	79.15%
1996	31,460	122,518	389.44%
1997	67,511	192,309	284.86%
1998	79,794	116,467	145.96%
1999	77,711	122,905	158.16%
2000	68,174	121,092	177.62%
2001	59,645	94,817	158.97%
2002	54,152	68,423	126.35%
2003	39,128	108,487	277.26%
2004	36,548	48,816	133.57%

Unaudited – see accompanying independent auditors' report.

Table 7

CADDO PARISH COMMISSION
Shreveport, Louisiana

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita ⁽²⁾
Fiscal years ended December 31, 1995 through December 31, 2004

Fiscal year	Population	Assessed value ⁽¹⁾	Gross bonded debt	Less debt service fund	Net bonded debt	Ratio of net bonded debt to assessed value	Net bonded debt per capita
1995	246,690	\$ 949,228,840	29,325,000	8,606,751	20,718,249	2.18%	\$ 84
1996	247,301	988,098,350	26,670,000	7,636,833	19,033,167	1.93%	77
1997	244,943	1,032,835,570	23,370,000	6,632,030	16,737,970	1.62%	68
1998	242,471	1,053,910,790	20,620,000	5,220,685	15,399,315	1.46%	64
1999	241,587	1,077,027,570	17,005,000	3,360,843	13,644,157	1.27%	56
2000	252,161	1,131,885,010	15,755,000	3,048,720	12,706,280	1.12%	50
2001	252,574	1,148,501,080	14,430,000	2,593,815	11,836,185	1.03%	47
2002	252,770	1,151,282,410	13,035,000	2,174,596	10,860,404	0.94%	43
2003	253,474	1,190,764,070	11,570,000	1,771,737	9,798,263	0.82%	39
2004	254,977	1,364,082,180	10,195,000	1,640,053	8,554,947	0.63%	34

Notes:

⁽¹⁾ The Louisiana constitution requires a complete assessment revaluation no less than every four years. Revaluations are reflected in years 1996, 2000, and 2004.

⁽²⁾ Does not include certificates of indebtedness.

Unaudited — see accompanying independent auditors' report.

Table 8

CADDO PARISH COMMISSION
Shreveport, Louisiana

Computation of Legal Debt Margin ⁽¹⁾

December 31, 2004

	Jails	Juvenile Justice	Health Unit
Assessed value \$1,364,082,180			
Debt limit – 10% of assessed value for any one purpose	\$ 136,408,218	136,408,218	136,408,218
Deduct – amount of debt applicable to debt limit	5,544,000	2,156,000	2,495,000
Legal debt margin	<u>\$ 130,864,218</u>	<u>134,252,218</u>	<u>133,913,218</u>

Note:

⁽¹⁾ State law allows a maximum of 10% of the assessed valuation for bonded debt for any purpose and 35% of the total assessed value for all purposes. A total of approximately \$467,233,763 of additional bonded debt could be approved for issuance pursuant to the 35% limitation.

Unaudited – see accompanying independent auditors' report.

Table 9

CADDO PARISH COMMISSION
 Shreveport, Louisiana
 Computation of Direct and Overlapping Debt
 December 31, 2004

	<u>Net debt</u>	<u>Percentage of debt applicable to the Parish</u>	<u>Parish's share of debt</u>
Caddo Parish Commission	\$ 8,554,947	100%	8,554,947
Caddo Parish School Board	314,786,527	100%	314,786,527
City of Shreveport	315,934,650	99%	312,775,304
	<u>\$ 639,276,124</u>		<u>636,116,778</u>

Unaudited – see accompanying independent auditors' report.

Table 10

CADDO PARISH COMMISSION
Shreveport, Louisiana

Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures
Fiscal years ended December 31, 1995 through December 31, 2004

Fiscal year	Principal	Interest ⁽³⁾	Total Debt Service ⁽²⁾	Total General Expenditures ⁽¹⁾	Debt Service as a Percentage of Total General Expenditures
1995	\$ 2,365,000	1,323,514	3,688,514	29,638,010	12.45%
1996	2,655,000	1,721,638	4,376,638	35,595,934	12.30%
1997	3,090,000	1,383,389	4,473,389	38,634,505	11.58%
1998	3,135,000	1,218,727	4,353,727	41,619,110	10.46%
1999	3,615,000	991,690	4,606,690	47,831,364	9.63%
2000	1,540,000	960,153	2,500,153	45,556,591	5.49%
2001	1,625,000	962,881	2,587,881	48,603,468	5.32%
2002	3,510,000	1,136,291	4,646,291	58,672,473	7.92%
2003	3,800,000	1,187,981	4,987,981	56,122,372	8.89%
2004	4,000,000	1,090,718	5,090,718	60,849,676	8.37%

Notes:

- (1) Total General Expenditures includes General Fund, Special Revenue Funds, and Debt Service Fund.
 (2) Includes bonded debt and certificates of indebtedness.
 (3) Includes interest, fiscal charges, and fees.

Unaudited – see accompanying independent auditors' report.

Table 11**CADDO PARISH COMMISSION**

Shreveport, Louisiana

Demographic Statistics

Fiscal years ended December 31, 1995 through December 31, 2004

Fiscal year	Population ⁽¹⁾	Median age	School enrollment ⁽³⁾	Unemployment rate ⁽⁴⁾
1995	246,690	33.3	49,139	5.6%
1996	247,301	33.3	48,843	6.3%
1997	244,943	34.3	48,018	6.8%
1998	242,471	34.3	46,832	4.5%
1999	241,587	34.3	46,653	3.8%
2000	252,161	34.5	45,120	5.2%
2001	252,574	35.4	44,943	6.4%
2002	252,770	35	44,722	6.8%
2003	254,216	34.7	44,532	6.1%
2004	254,977	34.3 ⁽²⁾	43,603	5.7%

Notes:

- ⁽¹⁾ Research Division, Louisiana Tech University
- ⁽²⁾ Center for Business Economic Research, Louisiana State University, Shreveport
- ⁽³⁾ Caddo Parish School Board
- ⁽⁴⁾ Louisiana Department of Labor

Unaudited – see accompanying independent auditors' report.

Table 12

CADDO PARISH COMMISSION
Shreveport, Louisiana

Commercial Construction, Residential Construction, and Property Value
Fiscal years ended December 31, 1995 through December 31, 2004

Fiscal year	Commercial Construction		Residential Construction ⁽¹⁾		Property Value ⁽²⁾	
	Number of units	Value	Number of units	Value	Real Estate	Other ⁽³⁾
1995	79	\$ 33,923,714	249	\$ 34,100,257	5,805,739,600	2,457,699,200
1996	79	43,539,539	276	37,707,516	5,972,022,400	2,605,974,066
1997	114	119,502,459	235	37,121,897	6,150,655,400	2,785,133,533
1998	157	114,443,170	258	40,088,629	6,280,648,100	2,838,973,200
1999	168	147,216,441	378	50,678,841	6,416,086,200	2,902,793,000
2000	103	72,305,845	355	56,689,353	6,806,315,100	3,008,356,200
2001	161	57,699,144	374	56,942,287	6,973,071,010	3,007,960,466
2002	87	100,925,424	448	72,277,725	7,232,352,500	2,853,647,733
2003	80	125,055,018	694	107,285,644	7,595,444,400	2,874,797,533
2004	100	148,694,901	615	113,224,966	9,244,104,400	2,931,144,933

Notes:

- (1) Estimated utilizing Metropolitan Planning Commission data
(2) Caddo Parish Tax Assessor
(3) Includes machinery and equipment, furniture and fixtures, inventories, pipelines, and public utility infrastructure.

Unaudited – see accompanying independent auditors' report.

Table 13

CADDO PARISH COMMISSION
Shreveport, Louisiana
Principal Taxpayers
December 31, 2004

<u>Taxpayer</u>	<u>Industry</u>	<u>Assessed value</u>	<u>Percentage of total assessed value</u>	<u>Tax amount</u>
Southwestern Electric Power Company	Public Utility	\$ 60,841,270	4.46%	\$ 2,225,574
BellSouth Corporation	Public Utility	28,313,780	2.07%	1,035,718
General Motors	Manufacturing	22,486,740	1.65%	822,565
Harrah's	Casino	20,974,930	1.54%	767,263
Hibernia	Banking	13,718,760	1.01%	501,832
AmSouth	Banking	11,566,150	0.85%	423,090
Bank One	Banking	11,384,470	0.83%	416,444
Universal Oil Products	Refinery	9,348,060	0.69%	341,952
Boomtown Casino	Casino	9,077,920	0.67%	332,070
Wal-Mart	Retail	8,527,760	0.62%	311,945
Total for ten principal taxpayers		196,239,840	14.39%	7,178,453
Total for remaining taxpayers		1,167,842,340	85.61%	31,432,955
Total for all taxpayers		<u>\$ 1,364,082,180</u>	<u>100.00%</u>	<u>\$ 38,611,408</u>

Note: The assessed value includes \$327,812,250 of homestead exemption.

Unaudited – see accompanying independent auditors' report.

Table 14**CADDO PARISH COMMISSION**

Shreveport, Louisiana

Miscellaneous Statistics

December 31, 2004

Date of first settlement	1835
Date of parish formation	1838
Area – square miles	852
Form of government	Council-Manager
Date established	1984
Number of employees	389
Square footage of major buildings:	
Caddo Parish Courthouse	205,500
Caddo Parish Commission Building	44,385
Caddo Parish Health Unit	46,056
Fleet Services Garage	21,000
Juvenile Court	57,244
Caddo Correctional Center	311,000
Caddo Animal Control Center	13,700
Library (main branch)	80,000
Government Plaza (Parish portion)	38,462
Roads and bridges:	
Miles of roads	803
Number of bridges maintained	176
Parks and recreation:	
Parks – number of acres	875
Number of playgrounds	11
Number of picnic areas	12
Number of boat launching ramps	7
Public libraries:	
Number of library branches	20
Number of books	670,000
Annual circulation	1,200,000
Sanitation:	
Number of collection compactors	17
Tons of solid waste collected	16,545

Unaudited – see accompanying independent auditors' report.

Table 15

CADDO PARISH COMMISSION
Shreveport, Louisiana
Compensation Paid to Commissioners
December 31, 2004

Commissioners:	Compensation
Lindora Baker	\$ 19,338
Joyce M. Bowman	17,923
Robert Charles Brown	17,923
Clifford R. Collins	17,393
David F. Cox	17,393
Forrest A. Davis	578
Danny Joe Dumas	578
Michael D. Long	17,923
Gilford L. Gillen	17,923
Stephanie Lynch	17,393
Rose Wilson McCulloch	17,923
James H. Morris	19,056
Carl A. Pierson	17,996
Ronald A. Webb, Sr.	17,923
Patrick C. Williams	578
	<u>\$ 217,841</u>

Unaudited – see accompanying independent auditors' report.



CADDO PARISH COMMISSION

Shreveport, Louisiana

OMB Circular A-133 Report

December 31, 2004

(With Independent Auditors' Reports Thereon)

CADDO PARISH COMMISSION

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KPMG LLP
Suite 1900
333 Texas Street
Shreveport, LA 71101-3692

**Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Members of the Caddo Parish Commission
Caddo Parish Courthouse
Shreveport, Louisiana:

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, each nonmajor governmental, internal service and fiduciary fund of the Caddo Parish Commission (the Commission) as of and for the year ended December 31, 2004, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated April 29, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Commission in a separate letter dated April 29, 2005.

This report is intended solely for the information and use of the Commissioners, management, the state of Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

April 29, 2005



KPMG LLP
Suite 1900
333 Texas Street
Shreveport, LA 71101-3692

**Independent Auditors' Report on Compliance With Requirements Applicable to Each
Major Program and on Internal Control Over Compliance in Accordance With
OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards**

To the Members of the Caddo Parish Commission
Caddo Parish Courthouse
Shreveport, Louisiana:

Compliance

We have audited the compliance of the Caddo Parish Commission (the Commission) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2004. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, the Caddo Parish Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2004.

Internal Control Over Compliance

The management of the Caddo Parish Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion

on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, each nonmajor governmental, internal service and fiduciary fund of the Caddo Parish Commission as of and for the year ended December 31, 2004, and have issued our report thereon dated April 29, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that, collectively, comprise the Caddo Parish Commission's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Commissioners, management, the state of Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

April 29, 2005

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
Year ended December 31, 2004

<u>Grantor title</u>	<u>Federal CFDA number</u>	<u>Grant number</u>	<u>Federal expenditures</u>
U.S. Department of Agriculture			
Pass-through State Department of Food and Nutrition Services – Food Nutrition Grant	10.550	N/A	\$ 51,869
Total U.S. Department of Agriculture			<u>51,869</u>
U.S. Department of Housing and Urban Development			
Pass-through Louisiana Community Development Block Grant Division of Administration – Community Development Block Grant	14.219	578741	336,404
Section 8 Housing Assistance Program	14.871	LA 184V003-005	468,907
Total U.S. Department of Housing and Urban Development			<u>805,311</u>
U.S. Department of Justice			
Pass-through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Title V Delinquency Prevention Program (Truancy Grant)	16.548	W02-1-002	42,730
Title I – Reducing Gun Violence	16.509	F03-8-004	50,000
Juvenile Accountability Incentive Block Grant	16.523	A98-8-03	139,421
Total U.S. Department of Justice			<u>232,151</u>
U.S. Department of Health and Human Services			
Pass-through Louisiana Office of Youth Development Title IV-E of the Social Security Act – Federal Payments for Foster Care and Adoption Assistance	93.658	N/A	446,394
Head Start	93.600	06CH6376/25	9,546,209
Total U.S. Department of Health and Human Services			<u>9,992,603</u>
			<u>\$ 11,081,934</u>

See accompanying notes to schedule of expenditures of federal awards.

CADDO PARISH COMMISSION

Shreveport, Louisiana

Notes to Schedule of Expenditures of Federal Awards

December 31, 2004

(1) General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Caddo Parish Commission (the Commission) primary government and is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Commission's primary government financial statements.

(2) Subrecipients

Of the federal expenditures presented in the schedule, the Commission provided federal awards to subrecipients as follows:

<u>Program title</u>	<u>Federal CFDA number</u>	<u>Amount provided to subrecipients</u>
Head Start	93.600	\$ 9,546,209

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
Year ended December 31, 2004

Section 1 – Summary of Auditor’s Results

Primary Government Financial Statements

Type of report issued: unqualified opinion

Internal control over financial reporting:

- Material weaknesses identified? No
- Reportable conditions in internal control were disclosed by the audit of the primary government financial statements? None reported

Noncompliance material to primary government financial statements noted? No

Federal Awards

Internal control over major program:

- Material weaknesses identified? No
- Reportable conditions in internal control over major program? None reported

Type of auditor’s report issued on compliance for major program: unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? No

Identification of major program:

<u>CFDA number</u>	<u>Name of federal program or cluster</u>
14.219	United States Department of Housing and Urban Development – Community Development Block Grant
93.600	United States Department of Health and Human Services – Head Start
93.658	United States Department of Health and Human Services – Federal Payments for Foster Care and Adoption Assistance

Dollar threshold used to distinguish between Type A and Type B programs: \$332,458

Auditee qualified as a low-risk auditee under section 530 of OMB Circular A-133: Yes

Section 2 – Primary Government Financial Statement Findings

None

CADDO PARISH COMMISSION
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
Year ended December 31, 2004

Section 3 – Federal Award Findings and Questioned Costs

None



KPMG LLP
Suite 1900
333 Texas Street
Shreveport, LA 71101-3692

April 29, 2005

CONFIDENTIAL

The Members of the Caddo
Parish Commission

Dear Commissioners:

We have audited the financial statements of the governmental activities of the Caddo Parish Commission (the Commission) and the combining, individual fund, and government-wide financial statements of the Commission as of and for the year ended December 31, 2004, and have issued our report thereon dated April 29, 2005. In planning and performing our audit of the financial statements of the Commission, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered the internal control since the date of our report.

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

CAPITAL ASSETS

During our review of documentation for additions to capital assets, we noted that supporting documentation could not be found for the purchase of books at the Library. The City of Shreveport accounting department is responsible for the accounting of the Library, which would include maintaining supporting documentation. We recommend procedures be implemented to maintain supporting documentation for additions of capital assets.

Management's Response – The Shreve Memorial Library through the City of Shreveport accounting department has implemented a policy to maintain all supporting documentation for additions of capital assets.

FEDERAL GRANT MONITORING

The Commission has engaged third-party consultants on the Title IV E federal program essentially to administer the program. While we noted no instances of noncompliance, we did note a lack of substantial documentation by the Commission to ensure compliance with the program. Ultimately, compliance with the program is the responsibility of the Commission and cannot be outsourced to a third party. We recommend the Commission implement procedures to document its compliance with program requirements.

The Members of the Caddo
Parish Commission
April 29, 2005
Page 2

Management's Response -- The Commission has implemented procedures to ensure the Assistant Director of Finance reviews the claim documents provided by the consultant for the Title IV E program. The consultant will provide the reports to the Commission on a quarterly basis.

In conclusion, the independent audit has proved to be a valuable tool in the process of improving Parish financial accounting and reporting practices. We feel that the systems, procedures, and reporting capabilities now in effect will be sufficient to maintain the high standard of excellence that has been attained.

* * * * *

It should be noted that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in systems and procedures which may exist. We aim, however, to use our knowledge of the Commission's organization gained during our work to make comments and suggestions which we hope will be useful to you.

We would like to take this opportunity to thank the personnel of the Commission for their cooperation and assistance during the audit.

This report is intended solely for the information and use of the Members of the Commission, management, the Louisiana Legislative Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP

CADDO PARISH COMMISSION
Summary Schedule of Prior Audit Findings
December 31, 2004

Finding: 03-1

The Caddo Parish Commission utilizes a rent reasonableness worksheet whereby the rent is compared to the rent of three comparable units, to ensure it is not greater than the largest rent. During our audit, we noted one instance in which the rent exceeded the amount determined on the rent reasonableness worksheet. It appears errors were made in the preparation of this particular rent reasonableness worksheet and that the rents, in fact, were less than the rent reasonableness worksheet.

Status: Corrective action was taken



KPMG LLP
Suite 1900
333 Texas Street
Shreveport, LA 71101-3692

April 29, 2005

The Members of the Caddo Parish Commission
Government Plaza
Shreveport, Louisiana

Dear Commissioners:

We have audited the primary government financial statements of the Caddo Parish Commission (the Commission) as of December 31, 2004, and have issued our report thereon dated April 29, 2005. Under our professional standards, we are providing you with the following information related to the conduct of our audit.

Our Responsibilities Under Professional Standards

We have a responsibility to conduct our audit of the financial statements in accordance with professional standards. In carrying out this responsibility, we planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Because of the nature of audit evidence and the characteristics of fraud, we are to obtain reasonable, not absolute, assurance that material misstatements are detected. We have no responsibility to plan and perform the audit to obtain reasonable assurance that misstatements, whether caused by error or fraud, that are not material to the financial statements are detected.

In addition, in planning and performing our audit of the financial statements, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit of the financial statements does not include examining the effectiveness of internal control and does not provide assurance on internal control.

Significant Accounting Policies and Significant and Unusual Transactions

The significant accounting policies used by the Commission are described in note 1 to the financial statements.

We noted no transactions entered into by the Commission that were both significant and unusual and that, under professional standards, we are required to inform you of, or transactions for which there is a lack of authoritative guidance or consensus.

Management Judgments and Accounting Estimates

The preparation of the financial statements requires management of the Commission to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Management's estimate of their claims payable in the insurance funds is based primarily on an analysis of historical trends and knowledge of claims. We evaluated the key factors and assumptions used to develop the payables in determining that these payables are reasonable in relation to the financial statements of the Commission taken as a whole.

Audit Adjustments and Uncorrected Misstatements

In connection with our audit of your financial statements, we have not discovered or discussed with management any significant financial statement misstatements that have not been corrected for in your books and records as of and for the year ended December 31, 2004.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the Commission's financial statements and our auditors' report thereon does not extend beyond the financial information identified in our auditors' report, and we have no obligation to perform any procedures to corroborate other information contained in these documents, for example, Management's Discussion and Analysis, introductory and statistical sections, and budgetary comparison information. We have, however, read the other information included in the Commission's annual financial report, and no matters came to our attention that cause us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Disagreements With Management

There were no disagreements with management on financial accounting and reporting matters which, if not satisfactorily resolved, would have caused a modification of our report on the Commission's financial statements.

Consultation With Other Accountants

To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the year ended December 31, 2004.

Major Issues Discussed With Management Prior to Retention

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The Members of the Caddo Parish Commission
April 29, 2005
Page 3

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

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This report is intended solely for the information and use of the Members of the Commission, management, the Louisiana Legislative Auditor, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP